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RENMIN RIBAO ON NEW U.S. MILITARY STRATEGY

08211356 Beijing RENMIN RIBAO in Chinese 21 Apr 81 p 6

[Report: "The Reagan Administration Has Basically Decided on a New Military Strategy"]

[Text] The New York TIMES in a special article datelined Washington published on 19 April said: The Pentagon disclosed that the Reagan administration has basically decided on a new military strategy and is now mapping out a policy based on this new strategy and using it as a guideline in working out next year's budget for all branches of the armed forces.

The report said: The new military strategy has cast aside the view that a potential U.S.-Soviet war will probably be of short duration before negotiations begin or that it may develop into a nuclear war. It holds that since both sides cannot be certain whether or not they could escape nuclear destruction, the extension of a U.S.-Soviet geographical conflict will not necessarily escalate into a nuclear war.

The new strategy demands that when deploying troops and equipment, all branches of the armed forces must be prepared within the permissible limits of their capabilities to do everything possible to safeguard U.S. interests in areas far away from America. It pays special attention to the Soviet threat to the West's source of oil in the Middle East and Persian Gulf region. It demands sending U.S. troops directly to that area should the supply of oil be threatened and letting the Soviet side be confronted with the possibility of a still wider conflict between the two countries.

Based on this strategy, the Reagan administration will continue to rely on strategic and tactical weapons as a deterrent. However, it will strive to ensure that the military command as well as communications and liaison structures on U.S. territory will not be easily destroyed in case of a preemptive nuclear attack. The United States will abide by its commitments to NATO and will continue to replace its medium-range missiles. On the other hand, it will call for a big increase in the manufacture and development of weaponry, the expenses of transporting and maintaining U.S. troops abroad and the strengthening of mechanisms for mobilization (including conscription) and military training, and an increase in the navy from its present figure of 450 ships to 600 ships. It is also envisaging the redevelopment of the armament industry and, at the same time, it also wants to increase military aid to other countries and especially the countries of the Middle East.

CONSUMER SPENDING SPURS FIRST QUARTER GROWTH

08220814 Beijing XINHUA in English 0757 GMT 22 Apr 81

[Text] Washington, 21 Apr (XINHUA)--The U.S. economy grew at a 6.5 percent annual rate during the first quarter of the year, the fastest quarterly growth for nearly three years, according to figures released by the Commerce Department. But the administration does not think the advance will change the country's economic trend characterized for years by stagflation. Commerce Secretary Malcolm Baldrige said this first quarter growth pace "almost surely won't be sustained" and there are signs that the economy will put in a "sluggish performance for the near term." "The unemployment rate has declined very little" and "the inflation rate remains stubbornly high," he said.

Economic experts here attributed the quarterly economic growth mainly to the rise in personal consumption. Consumer spending has been growing particularly for durable goods. People believe it is better to invest their money in refrigerators, cars and so on than to put it in banks where continued inflation would erode its value. As a result, the personal annual savings rate declined to 4.7 percent from the 5.1 percent in the preceding quarter and 6.1 percent in the 3rd quarter of 1980.

The first quarter was also a period of automobile rebates (by which the consumer can buy a new car with rebates of \$400 up to \$1500). Many department stores also cut down prices of goods in their store sales. These temporary boosts would not last long and auto sales dropped again as the companies ceased to offer rebates now. The Commerce Department foresees a "substantial slowing" in consumer spending growth in the months ahead.

Another factor accounting for the economy's growth in the first quarter was a big improvement in export trade. Net exports rose one billion dollars during this quarter after a drop of \$21.2 billion in the preceding quarter.

The first quarter's 6.5 percent increase in output followed a seasonally adjusted 3.8 percent growth rate in the fourth quarter of 1980; a 2.4 percent growth rate in the third quarter; a 9.9 percent rate of decline in the second quarter; and a 3.1 percent of increase in the first quarter. For all of 1980, the GNP declined 0.2 percent.

#### ADMINISTRATION PLANS PLANE SALE TO SAUDI ARABIA

0W220749 Beijing XINHUA in English 0731 GMF 22 Apr 81

[Text] Washington, 21 Apr (XINHUA)--The Reagan administration has decided to go ahead with the sale of five advanced radar planes (AWACS) to Saudi Arabia. State Department spokesman Dean Fischer said today that among the factors for the sale proposal are the "serious deterioration and security conditions of the Middle East and Persian Gulf region, the growing threat to our friends there from Soviet and other pressures." "We feel it is essential that we protect our interest in that vital region and further that we must help our friends in that region to defend themselves and rebuild their confidence in our reliability," he said.

He said that the five Airborne Warning and Control System aircraft probably would be delivered to Saudi Arabia in 1985. The United States already has four AWACS planes stationed in Saudi Arabia which were sent there following the outbreak of the Iran-Iraq war. But they are operated by the United States.

It was reported that the proposal for the sale of the AWACS planes will be submitted to Congress in a package, which includes Sidewinder air-to-air missiles, long-range fuel tanks and other equipment for the F-15 jet fighters which Saudi Arabia is also purchasing from the U.S.

Today's announcement was made when Saudi Arabia's oil minister, Shaykh Ahmad Zaki Yamani, is visiting Washington discussing oil and energy problems with the United States.

The Reagan administration, however, has not decided when the package proposal will be sent to Congress for approval where debate is expected to be intense. Israel has strongly objected to the sale of the AWACS planes and a number of congressmen have expressed their disapproval of the deal.

HUANG HUA AT BANQUET FOR DPRK GOODWILL MISSION

0W211556 Beijing XINHUA in English 1516 GMT 21 Apr 81

[Text] Beijing, 21 Apr (XINHUA)--The Chinese Ministry of Foreign Affairs gave a banquet here this evening to honor a goodwill delegation from the Ministry of Foreign Affairs of the Democratic People's Republic of Korea led by its Vice Minister Kim Chae-suk. Huang Hua, vice premier and minister of foreign affairs, was present at the banquet.

Proposing toasts at the banquet, Chinese Vice Minister of Foreign Affairs Han Nianlong and Vice Minister Kim Chae-suk hoped the great friendship between the two peoples and friendly cooperation between the two ministries of foreign affairs would be further developed. Also present was Pae Yong-chae, charge d'affaires ad interim of the DPRK Embassy in China.

The delegation arrived this morning at the invitation of the Chinese Ministry of Foreign Affairs. This afternoon, Han Nianlong and Kim Chae-suk held talks and exchanged views on issues of mutual interest.

BRIEFS

JAPANESE DELEGATION IN JIANGSU--The delegation of Japan's CHUNICHI SHIMBUN, which was led by Nisichiro Kato, arrived in Nanjing on 12 April. The delegation called on governor of Jiangsu, Hui Yuyu on 13 April. The delegation is scheduled to leave Nanjing in the afternoon of 13 April for Suzhou. [Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 13 Apr 81 OW]

JAPAN-PRC JOINT VENTURE--Beijing, 15 Apr (XINHUA)--The China Dongfang Lease Company held its first board meeting in Beijing on 15 April to celebrate the company's establishment. This is the first international lease company in China. It is a joint venture by the China International Trust and Investment Company, the Beijing Mechanical and Electrical Equipment Company and the Toho Lease Company of Japan. Rong Yiren, board chairman and president of the China International Trust and Investment Company; Su Chan, vice mayor of Beijing; Jiang Zemin, vice minister of the State Foreign Investment Administrative Commission; Yan Wenda, Beijing municipal supply bureau; and Yoshiya Kato, minister of the Japanese Embassy in Beijing attended the meeting. [Beijing XINHUA Domestic Service in Chinese 1527 GMT 15 Apr 81 OW]

SISTER CITIES WITH JAPAN--Tokyo, 19 Apr (XINHUA)--Shijiazhuang, capital city of China's Hebei Province; and Nagano, capital city of Japan's Nagano Prefecture in central Honshu, became sister cities today. A protocol sealing their bond of kinship was signed by the mayors of the two cities in Nagano this afternoon. Under the protocol, Shijiazhuang and Nagano will promote economic, educational, cultural, scientific and technological and sports interflow and cooperation between themselves in the spirit of the Sino-Japanese treaty of peace and friendship and on the basis of equality and mutual benefit. The governor of Nagano Prefecture, the director-general of the national headquarters of the Japan-China Friendship Association and the Chinese ambassador to Japan attended the ceremony. Members of a Shijiazhuang friendship delegation were present. [Text] [Beijing XINHUA in English 1112 GMT 20 Apr 81 OW]

VOIK REPORTS CAPTURE OF SEVERAL SPV STRONGHOLDS

ON220834 Beijing XINHUA in English 0823 GMT 22 Apr 81

[Text] Beijing, 22 Apr (XINHUA)--A number of Vietnamese major strongholds in Preah Vihear Province and other places of Kampuchea have been captured by the Kampuchean National Army and guerrillas since the beginning of this month, according to Radio Democratic Kampuchea. On April 2, the Kampuchean National Army and guerrillas in Preah Vihear Province captured a Vietnamese battalion command post at Ochrap, Choam Khsan County after cutting its communication lines, killing 21 Vietnamese and wounding 15 others. Another Vietnamese stronghold on the Ta Chat mountain, Choam Khsan County was encircled and subjected to heavy bombardment till men of the whole battalion stationed there fled helter-skelter on April 7, leaving behind 42 dead.

On April 11, the national army and guerrillas attacked and captured a Vietnamese battalion headquarters at Baray in Chhep Thearesbarivout area, wiping out 32 enemy troops. On April 13, they raided and overran a Vietnamese stronghold in Chhoeutea Kong village of Choam Khsan County and another one nearby. The two strongholds, manned by a Vietnamese company each, suffered a total of 43 casualties.

On April 11, the national army and guerrillas assaulted an enemy stronghold on the east bank of the Mekong River north of Rol Kong city, killing 11 Vietnamese and wounding 15 others. On April 16, a detachment of the national army stealed into a Vietnamese company headquarters there, wiping out 25 enemy troops and destroying a 60 millimeter mortar.

Another national army detachment in Battambang Province on April 11 raided a Vietnamese division headquarters at Prey Kpos, Mongkol Borei County, killing or wounding 32 Vietnamese.

THAILAND WARNS AGAINST SRV INVASION; TROOPS READY

ON201242 Beijing XINHUA in English 1231 GMT 20 Apr 81

[Text] Bangkok, 20 Apr (XINHUA)--If the Vietnamese troops in Kampuchea act rashly and invade Thailand, they will meet with firm counter-attacks, a high-ranking Thai military source was quoted as saying by local press reports today. The source made these remarks in view of the recent massive movements of the Vietnamese Armed Forces in Kampuchea in a move to close in on the border of Thailand. The Armed Forces of Thailand are following the developments closely, he noted.

The source disclosed that the three Armed Forces of Thailand are now under orders to be ready at all times to repulse aggression and incursions by foreign troops. In the meantime, the Thai troops are being trained to use new-type weapons which have just arrived in the country.

The source also revealed that the Thai Army had strengthened defence along the Thai-Kampuchean border and had sent large quantities of weapons there. It is reported that Thai Prime Minister Prem Tinsulanon has called on the government and the army to unite and strive for the country's development. At present, it is especially important for them to cooperate closely to protect the country's safety and stability, he noted.

THAILAND SAYS SRV DISTORTS KAMPUCHEA SITUATION

ON211622 Beijing XINHUA in English 1519 GMT 21 Apr 81

[Text] Bangkok, 21 Apr (XINHUA)--The Vietnamese profession of a complete control of Kampuchea by the Heng Samrin regime is false and misleading, said a statement of the Supreme Command of the Thai Armed Forces here yesterday.

The statement issued by the Information Office said that the Vietnamese authorities are trying their utmost to make the world believe that the developments in Kampuchea are irreversible; that the Vietnamese troops should remain in Kampuchea and that there is not any problem in that country.

The statement said, "The Vietnamese propaganda neither tallies with the real situation in Kampuchea, nor does it hold water. Firstly, were the party in power in Kampuchea in control of the country as Vietnam had claimed, it would not be necessary for Vietnam to station a large number of troops there; secondly, the large numbers of Kampuchean refugees now in Thailand or at the Kampuchean-Thai border areas show how serious the problems in Kampuchea are; finally, it is clear to all that the aggression has already spilled over the boundary of Kampuchea. Vietnamese troops are still fighting in many parts of Kampuchea, and the battles fought at the border areas are affecting the sovereignty and territorial integrity of the neighbouring countries."

#### THAI FOREIGN MINISTER DEPARTS FOR U.S., CANADA

0W211845 Beijing XINHUA in English 1830 GMT 21 Apr 81

[Text] Bangkok, 21 Apr (XINHUA)--Thai Foreign Minister Sitthi Sawetsila said that he would confer with the U.N. Secretary-General Kurt Waldheim on the convening of an international conference on Kampuchea during his visit to the United States. Sitthi said to the press at Bangkok airport this evening before his departure for the United States and Canada, "The Philippine Foreign Minister Mr Carlos P. Romulo has expounded, on behalf of the ASEAN nations, the stand of these nations on the settlement of the Kampuchean issue. I will further explain the views of Thailand on this issue during my meeting with Waldheim."

Sitthi said that he would meet with the U.S. press circles and brief them on the real situation in Thailand, and let them know that the situation in Thailand is stable. Sitthi said that while in the United States, he would discuss with the Americans arrangements for Prime Minister Prem's visit to the United States. According to a source of the Thai Foreign Ministry, Sitthi will have talks with the U.S. secretary of state and the Canadian foreign minister on security in Southeast Asia, Kampuchea, the refugees problem, bilateral relations and other problems of mutual concern.

Sitthi is also scheduled to stop over in France and Britain to confer with the two countries' foreign ministers on the Kampuchea issue.

#### NPC VICE CHAIRMAN LIAO CHENGZHI MEETS THAI GUESTS

0W211544 Beijing XINHUA in English 1508 GMT 21 Apr 81

[Text] Beijing, 21 Apr (XINHUA)--Liao Chengzhi, vice chairman of the National People's Congress, met with a group of chairmen of the provincial councils of Thailand led by Mr Boriboon Chantarakarn, chairman of the Nonthuri Provincial Council, today here. Liao said China and Thailand are good neighbours and he was pleased to see Thailand's internal situation stabilizing. China treasures the friendly relations it has with ASEAN, he said, and condemns the Vietnamese regional hegemonists who have provoked Thailand. Liao also briefed the guests on China's current political and economic situation.

Present at the meeting were Hou Tong, vice president of the Chinese People's Association for Friendship With Foreign Countries, and Kosol Sinthuwanon, Thai ambassador to China. The group consists of nine chairmen of the provincial councils of Thailand. They arrived April 18. Wang Bingnan, president of the friendship association, met and entertained the guests.

BEIJING ON VIETNAMESE MILITARY PRESENCE IN LAOS

BK220222 Beijing to Laos 1230 GHT 14 Apr 81

[Article by (Jang Guoliang): "Trouble Along the Mekong River"]

[Excerpt] In recent years, Vietnam has taken control of the Mekong River in hopes of using Laos as a springboard in its service of the Soviet Union and in its bid to become the regional hegemonist in Southeast Asia.

In 1975, the Vietnamese authorities dispatched a large number of advisers and military units to seize numerous important towns and ferry landings along the Mekong River in Laos without firing a single shot. Over the past 5 years, with Soviet assistance, Vietnam has built military airfields, landing facilities for artillery gunboats, tank and artillery positions, radar stations and guided missile positions along the Mekong River. It is now stepping up construction of strategic Route 9 from Vietnam to the bank of the Mekong.

According to Thai newspapers, at present a total of six Vietnamese divisions--over 50,000 men--are guarding the Mekong River. In Vientiane alone, there are two Vietnamese infantry divisions, two artillery positions, two tank positions, one artillery gunboat landing and six guided missile positions. Vietnamese and Cuban commandos [kong thahan katal] are stationed in Savannakhet and elsewhere.

As a result of the Vietnamese occupation, rice field and fish breeding grounds along the Mekong River bank have now become battlegrounds. In just a few years, over 200,000 Lao people have risked their lives to flee across the river to Thailand. This figure represents an estimated six percent of the Lao population. Each day, hundreds of Lao refugees flee to Thailand from Vientiane, Savannakhet and Pakse on small boats and rafts. Scores of them are shot dead by Vietnamese troops in midriver. A large number of Lao citizens in Luang Prabang and other towns have deserted their homes, creating ghost towns.

The depraved conduct of the occupying Vietnamese forces has sparked a flame of resistance among the Lao people along the Mekong River. On the bank of the Mekong River from Houai Sai and Vientiane to Savannakhet and down to Pakse, Lao guerrillas have stepped up their resistance against the Vietnamese troops. Earlier this year, the Lao guerrillas launched surprise attacks against the Vietnamese forces at Wattai Airport in Vientiane on two occasions, and blew up some vital Vietnamese warehouses and bridges near Pakse. The guerrillas frequently ambush Vietnamese truck convoys and patrol units in Pakse. Several islets in the river and villages on its bank have now become strongholds for the guerrillas.

The torrential Mekong River is becoming more violent. The (currents) in this river will certainly engulf the Vietnamese aggressors who have committed depraved acts against Laos.

JAPAN, BURMA AGREE TO EXPLORE OIL IN MARTABAN

BK211412 Beijing to Burma 1130 GHT 21 Apr 81

[Text] Japan and Burma will jointly drill for oil in the Gulf of Martaban, a Japanese Government official disclosed. The agreement to explore for off-shore oil was reached when Japanese International Trade and Industry Minister Tanaka visited Burma last winter, it was learned. Also, Minister Tanaka recently briefed President U Ne Win, who is on a visit to Japan, about the directives of the Japanese Government.

For its own consumption Burma mainly uses oil extracted from land. Since 1979, Burma has been exporting 1 million barrels of oil annually to Japan. Japan's plan to drill oil in the Gulf of Martaban in cooperation with Burma is designed to increase its import of Burmese oil, it was learned.

AIR FORCE CHIEF OF STAFF FEDES PAKISTANI GUESTS

09211619 Beijing XINHUA In English 1600 GMT 21 Apr 81

[Text] Beijing, 21 Apr (XINHUA) - Meng Dingli, chief of staff of the Chinese People's Liberation Army Air Force, gave a banquet here today for a delegation led by Group Captain Jawed Ahsan, assistant commandant of the Air Force Staff College of Pakistan. Present at the banquet were Mohammed Yousaf, Pakistan ambassador to China, and military attaches of the army, the air force and the navy at the Pakistan Embassy here.

At the banquet hosts and guests had cordial talks and discussed the development of friendly relations between the two armies. The delegation arrived April 19.

SOUTH ASIAN FOREIGN MINISTERS MEET IN COLOMBO

09211626 Beijing XINHUA In English 1525 GMT 21 Apr 81

[Text] Colombo, 21 Apr (XINHUA) - The four-day meeting of South Asian foreign secretaries was held at the Bandaranaike Memorial International Conference Hall here this afternoon, to discuss the working paper about the South Asian summit conference which was first proposed by Bangladesh.

Inaugurating the opening session which was attended by seven delegations from India, Pakistan, Nepal, Bangladesh, Maldives, Bhutan and Sri Lanka, Foreign Minister of Sri Lanka A.U.S. Rameed pointed out that a series of events and trends have made it necessary for the countries in the region to unite and work towards common goals with both dedication and speed. He said that the international political and security environment is tense, and fraught with many dangers. All countries in the region have to protect their own interests. They must ensure that their own interests are neither hindered nor complicated by external involvement or interference. All these countries have long hoped for the establishment in the region of an area of peace free from confrontation.

"We are also sustained by a great deal of commonality," he noted. "Geographically, our region is clearly definable. Historically and culturally, we share the same or a similar heritage. The major religions of the world co-exist in our region. Non-alignment is common to all our foreign policies." Although the South Asian countries are in different stages of development, he added, their development needs and strategies have many common elements.

BRIEFS

CHINESE DANCERS IN INDIA - New Delhi, 14 Apr (XINHUA) - Famous Indian dancer Renu Sharma and Chinese dancers Zhang Jun and Liu Youtian performed on the same stage here this evening to the warm welcome of the audience. The performance was organized by the Indian Women's Society for India-China Friendship. The Chinese dancers performed Chinese dances, including "peacock dance," "picking grape," and "spring rain" as well as Indian classical dance Bharatanatyam. The Indian dancer performed Kathak dance, one kind of the four classical Indian dances. Zhang Jun and Liu Youtian came to India last October to learn Bharatanatyam at Ahmedabad at the invitation of the Indian Council of Culture Relation. They completed their course in 3 1/2 months which normally requires 6 years, thanks to the help of their Indian teachers and their own effort. Now they are learning Kathak dance in the capital. [Text] [Beijing XINHUA In English 1850 GMT 14 Apr 81 OM]

RPC VICE CHAIRMAN YANG BRIEFS BELGIAN GUESTS

0M201546 Beijing XINHUA in English 1515 GMT 20 Apr 81

[text] Beijing, 20 Apr (XINHUA)--Yang Shangkun, vice chairman of the National People's Congress Standing Committee, met with a 21-member delegation of prominent figures from Belgium, led by Senator Ferdinand de Bondt, today in the Great Hall of the People. The vice chairman briefed the guests on the function and form of the NPC and on China's current political and economic situation.

Present at the meeting were Secretary General of the Chinese People's Institute of Foreign Affairs Xie Li and the Belgian Interim Charge d'Affaires Claire Kirschen.

The Belgian guests arrived April 17. Xie Li hosted a banquet the following evening. The guests have visited cities of Guangzhou, Hangzhou, Shanghai, Nanjing, Zhengzhou, Louyang and Xian.

NI ZHIFU RECEIVES SWISS TRADE UNION DELEGATION

0M211536 Beijing XINHUA in English 1523 GMT 21 Apr 81

[text] Beijing, 21 Apr (XINHUA)--Ni Zhifu, chairman of the All-China Federation of Trade Unions met here today with a three-member delegation of the National Council of Trade Unions of Switzerland led by its president, Richard Muller, member of the Swiss Federal Assembly. The delegation is the first group of the Swiss Council of Trade Unions to visit China.

At the meeting, Ni briefed the group on China's current economic situation and the role of China's trade unions in the economic readjustment. Present at the meeting were Werner Stigg, Swiss ambassador to China, Chen Yu and Fan Ronghui, vice chairmen of China's Trade Union Federation.

ITALIAN DEFENSE MINISTER CITED ON SOVIET MISSILES

0M220136 Beijing XINHUA in English 0126 GMT 22 Apr 81

[text] Rome, 21 Apr (XINHUA)--Italian defense Minister Lello Lagorio invited the Soviet Union to discuss a reduction of the SS-20 missiles deployed recently against Europe, ANSA reported today.

In an article published in the latest issue of the weekly RELAZIONI INTERNAZIONALI, Lagorio wrote: "the letter written by Brezhnev to the West European countries deserves attention and patience. At the first glance it gives the impression that the Soviet Government is interested in broad negotiations with the West, but the basis for a start offered by Mr Brezhnev seems insufficient. Today in the armaments there is a great disequilibrium between the East and the West in favor of the East, and the too weak ones will not accept compromises."

Lagorio added: "Our idea is to say yes to the negotiations, but not to commit the West to have an arm tied up at a pole. In other words, it is necessary to make it clear that the proposal for a moratorium (of the installation of the medium-range missiles) is interesting, but the Soviet Government could make its smile offensive [as received] more convincing if it showed readiness to discuss in advance a reduction of the nuclear arms deployed recently against Europe."

The defense minister refuted charges of PRAVDA against Italy's "militarism," saying the Soviet newspaper did not know the truth about Italy.

BRITISH PRIME MINISTER ENDS VISIT TO SAUDI ARABIA

06211848 Beijing XINHUA in English 1834 GMT 21 Apr 81

[text] Beijing, 21 Apr (XINHUA)--British Prime Minister Margaret Thatcher today declared her country's readiness to provide Saudi Arabia with arms to bolster its own defences against threats to the security of the Gulf region, according to reports received here. At a press conference at the end of her three-day official visit to the kingdom, Mrs Thatcher said that British and Saudi views on Gulf defence corresponded perfectly. They agreed that the maintenance of the security of the area was the sole responsibility of the Gulf states, and Britain was prepared to cooperate with these states to guarantee local stability. Mrs Thatcher, the first British prime minister to visit the Saudi Arabia, said that her talks with King Khalid, Crown Prince Fahd ibn 'Abd al-'Aziz and other Saudi leaders had been fruitful.

In a statement issued in Riyadh last night, a British spokesman said that Mrs Thatcher, who supports a U.S. Rapid Deployment Force for the Gulf and the Middle East, had informed the Saudi leaders that this force would not interfere or be stationed in any Gulf territory without full consultations with the parties concerned. Saudi Arabia reportedly opposes granting bases to foreign powers in the Gulf.

In the Middle East crisis, the British spokesman said that Britain plans to go ahead with a peace initiative announced by the EEC last year. Mrs Thatcher, accompanied by Minister of State at the Foreign Office Douglas Hurd, left Riyadh today for the United Arab Emirates on the second leg of a tour of the Arab Gulf states.

TUNISIAN PRESIDENT'S WIFE MEETS PREMIER ZHAO

06211656 Beijing XINHUA in English 1643 GMT 21 Apr 81

[text] Beijing, 21 Apr (XINHUA)--Premier Zhao Ziyang met here today with Mme. Wassila Bourguiba, wife of Tunisian President Habib Bourguiba, and some members of her entourage. Premier Zhao warmly welcomed Mme. Bourguiba's visit. He said "in recent years the contacts between China and Tunisia have become close and the friendly relations even more developed. They share a common language in a number of important international issues." Her visit to China has important meaning for the further development of friendship between China and Tunisia, Zhao said. Zhao asked Mme. Bourguiba to convey Chairman Ye Jianying's and his good wishes and respects to President Habib Bourguiba.

Mme. Bourguiba said Tunisia has friendly feelings for China. She conveyed the president's hospitable invitation and hoped Premier Zhao would visit Tunisia soon. Zhao thanked her and accepted the invitation. Vice Premier Chen Muhua was present on the occasion.

## Zhao Hosts Banquet

06211741 Beijing XINHUA in English 1704 GMT 21 Apr 81

[text] Beijing, 21 Apr (XINHUA)--Chinese Premier Zhao Ziyang gave a banquet here tonight for Mme. Wassila Bourguiba, wife of Tunisian President Habib Bourguiba. "The Chinese Government and people would like to strengthen unity with Tunisia and all other peace-loving countries and peoples and to make joint efforts to oppose hegemonism and safeguard world peace," said Zhao Ziyang in his opening remarks.

Gathered at the banquet with the Tunisian guests were Chen Buhua, vice premier of the State Council; Qian Zhengying, minister of water conservancy; Gong Dahei, vice minister of foreign affairs; Lei Jieqiong, deputy president of the All-China Women's Federation; Yang Chun, vice minister of public health; Meng Yue, Chinese ambassador to Tunisia; leading members of other government departments and leading figures in women's circles.

Premier Zhao and Mme Bourguiba spoke at the banquet in a warm and friendly atmosphere. Speaking of the international situation, Premier Zhao said, like the Tunisians, the Chinese people love peace and want to have a peaceful international environment in which to build their country. "But," he said, "the objective reality tells us the globe is far from being tranquil as a result of aggression and expansion perpetrated by hegemonism everywhere." He went on to say, the Palestinian, Afghan and Kampuchean peoples are suffering from aggression and occupation by outside forces and living a miserable life. He said recently Mme Bourguiba visited refugee camps in Peshawar, Pakistan, where she showed deep sympathy with the displaced Afghan people and, on behalf of President Bourguiba, expressed support for their just struggle against foreign aggression. "This noble position of yours has been acclaimed by China and other peace-loving countries and peoples," the Chinese premier said.

He paid tribute to the Tunisian people who, under the leadership of President Bourguiba, won independence after long struggle and have scored marked success in developing their economy and culture, pursuing a nonalignment policy and safeguarding national independence and state sovereignty.

Speaking of friendly relations between China and Tunisia, Premier Zhao said the two countries have satisfactorily cooperated in political, economic, trade, cultural and other fields. He expressed conviction Mme Bourguiba's visit will make positive contributions to the furtherance of friendship between the two peoples and cooperation between the two countries.

Mme Bourguiba said there has been solid friendship and cooperation based on mutual respect between Tunisia and China. She extended cordial regards from President Bourguiba, the Tunisian Government and the people to Premier Zhao Ziyang, the Chinese Government and the Chinese people and wished them success in the great cause of modernizing China. She said President Bourguiba has, time and again, recalled the late Premier Zhou Enlai's visit to Tunisia 16 years ago which laid the foundation for the existing good relations between the two countries.

Turning to international issues, she said "We are obliged to strongly oppose occupation of the land of Palestine." She spoke highly of China's support for the Palestinian resistance movement and for all organizations struggling for independence and elimination of the last strongholds of racial segregation, Zionism and colonialism in order that people might freely choose a system for their country free of outside interference.

She declared Tunisia, as an Islamic state, is cooperating closely with other Islamic countries and working for the withdrawal of foreign troops from Afghanistan as early as possible so the Afghan people exercise the right to self-determination.

She said President Bourguiba, the Tunisian Government and people are willing to expand cooperation with the Chinese Government and the friendly Chinese people. An important aspect of this cooperation is consultation between the two sides on international issues of mutual interest.

The Tunisian ambassador to China, Mr Mohamed el-Mennai and Mrs el-Mennai were among the guests. Earlier today, Mme Bourguiba visited a Beijing art and handicraft factory and the Palace Museum.

VICE PREMIER FANG YI MEETS ALGERIAN SCIENCE GROUP

OM211540 Beijing XINHUA in English 1513 GMT 21 Apr 81

[Text] Beijing, 21 Apr (XINHUA)--Fang Yi, vice premier of the State Council and president of the Chinese Academy of Sciences, met and had a cordial and friendly talk with an Algerian science delegation led by Professor A. Bennini, acting director of the National Organization of Scientific Research of Algeria, here this afternoon. Present at the meeting were Ali Abdelaouit, Algerian ambassador to China, and Qing Lisheng, secretary general of the Chinese academy.

Earlier, Vice President of the Chinese Academy of Sciences Yan Jici met with the delegation which arrived here April 17 at the invitation of the academy. During its stay in Beijing, the delegation had discussions with the academy on scientific exchanges between the two countries.

LIAO CHENGZHI MEETS TANZANIAN YOUTH DELEGATION

OM201246 Beijing XINHUA in English 1235 GMT 20 Apr 81

[Text] Beijing, 20 Apr (XINHUA)--Liao Chengzhi, vice-chairman of the National People's Congress, today met and had a cordial and friendly conversation here with the youth delegation of Tanzania led by Mohamed S. Khatib, national president of the Youth League of Tanzania. Present on the occasion were Liu Weiming, member of the Secretariat of the Central Committee of the Communist Youth League of China, and Job H. Lusinde, ambassador of Tanzania to China. The delegation arrived here yesterday.

ZAMBIA'S KAUNDA ANALYZES WORLD SITUATION

OM220152 Beijing XINHUA in English 0133 GMT 22 Apr 81

[Text] Lusaka, 21 Apr (XINHUA)--Zambia believes in and pursues the policy of nonalignment in face of rivalry between the two superpowers and does not accept the concept of natural allies, stated President Kenneth Kaunda at the extraordinary meeting of the National Council of the United National Independence Party (UNIP) this afternoon.

Kaunda said the war-like rhetoric by the superpowers constitutes a dangerous signal for arms race and threatens world peace. Within this context, Zambia and other peace-loving countries would work together for better prospects of peace, he added. He said Zambia is gravely concerned about the situation in the Middle East, Kampuchea, Afghanistan and advocates quick solutions to them.

Kaunda spoke highly of the Zimbabwean people for their ability in handling a very complicated situation and hoped the unity necessary for peace and reconstruction would continue in Zimbabwe. The situation in southern Africa remains dangerous with threats coming from the racist South Africa, he stressed. He pointed out that South Africa has become even more hawkish toward the frontline states of late because of "the coincidence of its views on security of this region with that of the Reagan administration." He said in spite of all this, Zambia would continue to support the oppressed people in South Africa and Namibia.

REPORTAGE ON ZIMBABWE'S FIRST ANNIVERSARY

OM170147 Beijing XINHUA in English 0130 GMT 17 Apr 81

[Salisbury dispatch: "Zimbabwe Celebrates Its First Anniversary--by correspondent Guan Yunfu"--XINHUA headline]

[Text] Salisbury, 17 Apr (XINHUA)--The Republic of Zimbabwe is celebrating its first birthday with some initial yet solid achievements under Prime Minister Robert Mugabe's program of reconciliation, resettlement and reconstruction.

The first staggering problem confronting the new government was the resettlement of more than 1.2 million refugees, one-sixth of the country's population. With the help of the world community, the government accommodated over 200,000 expatriates who had fled the war-torn land earlier. It distributed to resettled refugees 383,000 hectares of farmland it had bought from owners who had left the country.

Another herculean task is the reorganization of the armed forces. Under the Lancaster House agreement, the new government is to reorganize and integrate the national liberation army under the African National Union, the people's revolutionary army of the African People's Union and the public security forces of the former Southern Rhodesian regime into a single national army. It is a herculean task and a fresh civil war, it is feared, may erupt if the work of reorganizing these troops with radically different political inclinations is not done properly. In light of the circumstances, progress in this respect is all the more remarkable. By the end of last month, 21 battalions of troops have been reorganized, and a national army, dedicated to the defense of the new-born republic, has been formed and trained.

In the year, Zimbabwe's economy has made heartening progress with gross national product increasing by 7 percent and the output value of the manufacturing and processing industries reaching 754 million Zimbabwean dollars(\$1,206 million), an increase of 21 percent over 1979, and electricity generated amounting to 7.2 billion kWh, 8 percent more than the previous year.

The minister of agriculture told this correspondent that a bumper maize harvest of 2.8 million tons is expected this year, of which 1.2 million tons will be available for export. Tobacco, cotton, sugarcane and other industrial crops are also most promising. Domestic trade turnover in 1980 was 30 percent higher than 1979.

The new government sees better education as the groundwork for its national reconstruction effort. Outlay for education in its first budget increased 53 percent over that of 1979. The Ministry of Education asked early this year for an additional appropriation of 30 million Zimbabwean dollars, bringing the total allocation of 18.7 percent of the whole budget, next only to defence spending. The government has built new schools and expanded the existing ones and introduced the two-shift system so as to enroll more children. As a result, the number of primary school pupils has increased from 900,000 in 1980 to 1.5 million in 1981; middle school students from 17,000 to 90,000. The literacy campaign and spare-time education for workers and staff have also made impressive headway.

During the year, the world watched with deep anxiety and misgivings the developments in that newborn republic. Now, to its great relief, one-year-old Zimbabwe has demonstrated its stamina in facing severe tests, playing its stabilizing role and opposing racism in southern Africa and making steady progress in its own reconstruction and development.

#### Military Leader Interviewed

06171257 Beijing XINHUA in English 1236 GMT 17 Apr 81

[ "Zimbabwe Steps Up Building of National Army" --XINHUA headline ]

[Text] Salisbury, 17 Apr (XINHUA)--The Zimbabwean government, now one year old, is speeding up the building of a single national army to consolidate national independence and defend national interests.

In a talk to XINHUA correspondents recently, chairman of the Joint High Command Emerson Munangagwa, who is also minister of state in the Prime Minister's Office, said, "The strength of the national army's total integrated battalions now stand at twenty-one. By the end of March, more than twenty thousand regular army soldiers with good training and discipline will have been formed. Now we are hopeful that the process continues at a rapid pace to integrate the three forces into three battalions per month. By the end of July or August this year, the integration work will be finished."

After independence, Zimbabwe set about to integrate the three forces into a single national army under the Lancaster House agreement signed in London. The efforts involved are arduous for the formation, training and military experiences of these three forces are vastly different. They had been antagonistic to each other for years.

In the aftermath of the ceasefire, Munangagwa recalled, "Many people wondered how the three forces could possibly be integrated in view of the differing aims and beliefs which many of the combatants had." "There was certainly a great deal of distrust and suspicion which has to be dealt with and which still requires our attention to eradicate completely," he added.

To carry on with the work of integration effectively, a Joint High Command has been formed under the leadership of Munangagwa. 155 British military advisers and instructors have been invited by the Zimbabwean Government to take charge of the integration and training of the regular army.

The integration programme falls into two phases. The first phase is to integrate more than 33,000 guerrillas who are stationed at assembly points; the second one is to integrate already integrated guerrillas with the former Rhodesian forces. Officers and men will have to undergo basic military training separately for four weeks before going in for regular army training.

Every battalion is formed by an equal number of ZANLA [Zimbabwe African National Liberation Army] and ZIPRA [Zimbabwe People's Liberation Army] guerrillas to clear up misunderstanding and suspicion. The entire process of integration and training is carried out according to the regular army system; for instance, of 159 trainees for parachutists, only 15 survived the winnowing process. Apart from infantry battalions, five special battalions--commando, parachute, artillery, tank and intelligence--have been formed and trained.

Military conflicts broke out twice during the integration process. The first in November last year was a factional fight between guerrilla forces, and the second was a large-scale military riot last February in the already integrated national army. Both were of local nature with few participants, according to Munangagwa. Only three battalions out of fifteen newly-integrated battalions of national army were involved in the conflicts. The speedy suppression of these conflicts show that the integrated national army as a whole is loyal to the government.

Some officers of the integrated national army recently declared in televised speeches that as officers of the country's regular army they will fight to defend the newborn republic. Last month, Prime Minister Robert Mugabe declared on television that "our army is an army of the people and an army of the nation. It is here to serve the state and the government. This army must always be ready to defend and maintain against all opposition and aggression for the well-being of all the people of Zimbabwe." "The new revolutionary army will engage in productive work within the spirit of self-reliance and will work with the people," Mugabe added.

## JIEFANG RIBAO ON PLA PAPER'S FILM SCRIPT CRITICISM

GW211124 Shanghai City Service in Mandarin 2300 GMT 20 Apr 81

[JIEFANG RIBAO 21 April front-page report on JIEFANGJUN BAO 26 April contributing commentator's article: "the Four Basic Principles Brook No Violations--Commenting on the Film Script '(Ku Lian)'"]

[Text] The article says: The film script "(Ku Lian)" created by Comrade Bai Huai, an army writer, not only runs counter to the four basic principles but also practically reaches the point of negating patriotism. We hold that it is necessary to criticize this work according to the principle of seeking truth from facts. Such criticism will be conducive to deepening our understanding of the four basic principles, raising our consciousness of adhering to and safeguarding the four basic principles, carrying forward the spirit of patriotism and making the creation of socialist literary and art works prosper.

"(Ku Lian)" describes the tragedy of a painter who fervently loves the motherland all his life but is allegedly trampled on by the motherland. The story begins with the pursuit of the painter (Lin Chengguang) and his escape to (Wei Fang) in the summer of 1976, recalls his experiences during his youth, and goes on to describe his tragic end, freezing and starving to death in (Qi Yan).

The article points out: The author of "(Ku Lian)" declared to the people that the significance of the theme of this work is love, the love of the leading character in the work for the motherland, and also the love of the author for the motherland. But after reading the work, we cannot help but say that the sentiment he describes and expresses is not exactly a love for the motherland, but a resentment against our party and socialist motherland under the guise of love.

In the old society described by "(Ku Lian)," there remained some friendly sentiments and warmth; but in the new, socialist China, there are bitterness and tragedy everywhere. In the old society, there were people who would come to the rescue of persecuted patriots; in new China, patriots not only continue to be persecuted but also have no way out. In that country, in America, here is splendid sunshine throughout the land; in the socialist motherland, there is nothing but darkness. In contravention to the truth of history and life, "(Ku Lian)" uses sharp contrasts to clearly express the ideology of the theme of this work: New China is inferior to old China; the Communist Party is inferior to the Kuomintang; socialism is inferior to capitalism; and the socialist motherland is not only unlovable but also is abominable and horrible.

Through artistic images the work spreads a kind of sentiment that runs counter to the socialist motherland. The true theme of this work is precisely the sharp question, "You love our country, but does our country love you?" put forward by the painter's daughter. What do such sentiments of suspicion and resentment against the motherland have in common with the pure hearts of the broad masses of working people and intellectuals in our country who warmly love the motherland and the party? The eccentric sentiments permeating the work "(Ku Lian)" have harmed our Chinese people's spirit of patriotism and national self-confidence and are detrimental to stability and unity and to the cause of the four modernizations that we are now carrying out.

The article points out: The author says that this work aims at exposing and sentencing the gang of four, but the people cannot see which parts in the work deal with the counter-revolutionary crimes of the gang of four, nor can they see any struggles of the party and the people against the gang of four.

Another theme of the work "(Ku Lian)" is to vilify the party's leadership and the political power of the state under the people's democratic dictatorship, while flaunting the banners of opposing feudalism and modern superstition. The article points out: We oppose feudal superstition, and we also oppose modern superstition. But just because we oppose modern superstition, we cannot negate the basic theory of Marxism on the relationships among the masses, classes, political parties and leaders.

The author of "(Ku Lian)" puts our party and the leaders of our party on the same footing with kings and emperors in history, and describes them as people who trampled on the motherland's mothers and slandered cadres and masses by calling them "devout" people. In so saying and in giving such descriptions, the author almost lets himself slip into a position against the party and the people.

The JIEFANGJUN BAO contributing commentator's article says in conclusion: The emergence of the film script "(Ku Lian)" is not an isolated phenomenon. It reflects anarchism, ultraindividualism, bourgeois liberalism and the erroneous trend of thought that negates the four basic principles. This trend exists among a very small number of people. If such an erroneous trend of thought is allowed to run rampant, it will certainly endanger the political situation of stability and unity, and it will make it impossible for us to carry out the economic readjustment and four modernizations smoothly. This runs counter to the fundamental interests of the people in the whole country. The purpose of our criticism of the erroneous tendency of "(Ku Lian)" is to uphold and safeguard the four basic principles, consolidate and develop stability and unity and safeguard the four modernizations under socialism. We hope that, through the criticism of the work "(Ku Lian)," we can raise the consciousness of our army's literary and art workers in upholding the four basic principles. We also hope that the author of "(Ku Lian)" will learn from this mistake, correct his ideology of creation and succeed in the future in writing works that are beneficial to the socialist motherland and the people.

#### GUANGZHOU POLICE ARREST TWO AS 'SECRET AGENTS'

0W211252 Hong Kong AFP in English 1227 GMF 21 Apr 81

[Text] Beijing, 21 Apr (AFP)--Guangzhou police recently arrested two suspected "secret agents" working for Taiwan, bringing to 10 the number of arrests for spying on behalf of Taiwan's ruling Kuomintang Party over the past weeks. Chinese television today identified the two suspects as Zhou Xuejiao and his sister Zhou Shiyang. The TV showed audiovisual equipment and foreign exchange certificates used by the alleged operatives in their "intelligence activities."

The TV commentator stressed that Guangdong Province had moved to combat "secret agents of the Kuomintang" to "protect" the country's modernization.

#### GUANGMING RIBAO CITED ON PROLETARIAN DICTATORSHIP

HK220240 Beijing RENMIN RIBAO in Chinese 21 Apr 81 pp 1, 4

[GUANGMING RIBAO contributing commentator's article: "The Essence of People's Democratic Dictatorship Is Dictatorship of the Proletariat"--capitalized passages published in boldface]

[Text] Upholding the dictatorship of the proletariat is one of the four basic principles upheld by the party and the whole body of patriotic people. Article 1 of the PRC Constitution clearly stipulates: "The People's Republic of China is a socialist state of dictatorship of the proletariat led by the working class and based on the worker-peasant alliance." In our country, upholding the dictatorship of the proletariat means upholding the people's democratic dictatorship, because the two are identical in essence. Our party has stated this point on many occasions. Article 1 of the criminal law adopted by the second session of the Fifth NPC on 1 July 1979 also reiterates "people's democratic dictatorship, that is, dictatorship of the proletariat, led by the working class and based on the worker-peasant alliance."

As a basic theory and practice of Marxism, the issue of the dictatorship of the proletariat has long been familiar to all Marxists and revolutionaries. However, in common with other basic theories of Marxism, this issue requires constant clarification and development in the light of new experience in the course of the development of the proletarian socialist cause. During the 10-year "Great Cultural Revolution," the Lin Biao and Jiang Qing counter-revolutionary cliques vigorously pushed so-called all-round dictatorship, which in theory and practice caused serious distortion and damage to our country's people's democratic dictatorship and caused extremely great confusion and poison in people's thinking.

We must realize that even today this poison has not yet been completely eliminated, and there are indeed erroneous trends existing in society that doubt and negate the people's democratic dictatorship. It is now therefore very necessary to carry out a fresh review of the history and present condition of the people's democratic dictatorship in our country. This article will just give a few explanations on the historical conditions and characteristics of the formation of people's democratic dictatorship, the essence of the people's democratic dictatorship, and so on.

As a form of the dictatorship of the proletariat, the people's democratic dictatorship is completely suited to our national condition. It is a creation by our party and Comrade Mao Zedong in leading the people of our country in waging protracted revolutionary struggle. It is a product of the integration of the basic theories of Marxism with the concrete reality of the Chinese revolution.

The question of state political power is the fundamental question in revolution. The fundamental and primary hallmark of the victory of proletarian revolution is for the proletariat to seize state political power from the bourgeoisie by means of class struggle and then organize themselves into the ruling class and establish the dictatorship of the proletariat. Only by relying on the state political power it holds and leads and depending on the strength of this political power can the proletariat suppress the resistance of the overthrown exploiting classes and all hostile forces, defend itself against external aggression, protect and consolidate the fruits of revolution, proceed to organize socialist economic, political and cultural construction, carry out all-round profound transformation of the whole of society, and finally complete its historical task of liberating the whole of mankind and realizing communism. We often say that the doctrine of the dictatorship of the proletariat is the quintessence of Marxism, and that its fundamental rationale is that only those who acknowledge class struggle and at the same time acknowledge the dictatorship of the proletariat are genuine Marxists.

However, the historical practice of proletarian revolution since the Paris Commune shows that the specific roads of revolution adopted by the proletariat and the laboring people differ in different countries, as do the specific forms for accomplishing the dictatorship of the proletariat, and there can be no single unchanging pattern applicable to every country. The question of which form the dictatorship of the proletariat in a certain country should take can only be determined by that country's specific historical conditions and circumstances.

When proposing and expounding on the theory of the dictatorship of the proletariat, Marx and Engels carried out specific investigations of the social and historical conditions of capitalist countries such as Britain, France and Germany. They pointed out that conditions in Britain differed from those in France and Germany, and that Britain at the time was the only country "where there are no peasants, and moreover, land ownership is concentrated in the hands of a few," and "THE GREAT MAJORITY OF THE INHABITANTS ARE HIRED WORKERS." ("Complete Works of Marx and Engels," vol 16, p 437) They therefore held that after the victory of proletarian revolution in Britain, France and Germany, the establishment of the dictatorship of the proletariat was bound to take different forms. Engels said: "The dictatorship of the proletariat will first establish THE DEMOCRATIC SYSTEM and will thus directly or indirectly establish the political rule of the proletariat. This kind of rule can be directly established in Britain, because the proletariat there already accounts for the majority of the population. This kind of rule can be indirectly established in France and Germany, because the great majority of the population there are not only proletarians but also small peasants and urban petite bourgeoisie."

"The small peasants and the urban petite bourgeoisie are now in the stage of being polarized into the proletariat, and they rely more and more on the proletariat for the fulfillment of all their political interests, and so they will very quickly agree to the demands of the proletariat." ("Selected Works of Marx and Engels," vol 1, p 219). "Directly establishing the political rule of the proletariat" means that after the proletariat has single-handedly overthrown bourgeois dictatorship, it alone establishes and holds state political power and exercises rule and suppression over the bourgeoisie. "Indirectly establishing the rule of the proletariat" means that the proletariat unites with the peasants and urban petite bourgeoisie to form an alliance accounting for the great majority of the population in order to overthrow bourgeois dictatorship and establish state political power under the leadership of the proletariat, and with the participation of various classes of the people, to exercise rule over the bourgeoisie. The Paris commune, the first experiment in proletarian dictatorship, belonged to the latter category. Marx stated this point very clearly in his "The Civil War in France." He said: "The true secret of the commune is that it is in essence a working-class government. It is the fruit of the struggle between the producer class and the owner class, and it is the political form that has finally been discovered for enabling labor to gain economic liberation." At the same time, "the commune is a political form with a high degree of flexibility," and "it is the true representative of all sound sectors of French society, and thus it is a genuine national government." ("Selected Works of Marx and Engels" vol 2, p 378) From this it is evident that there is certainly no unbridgeable gulf between "working-government" and "genuine national government."

Lenin creatively applied the above-mentioned ideas of Engels on the form of proletarian dictatorship to the concrete conditions of Russia. In the capitalist world of that time, Russia was a backward capitalist country with a strong military feudal foundation and a large population of peasants and petite bourgeois elements. Based on these basic conditions of Russia, Lenin put forward the idea that "the dictatorship of the proletariat is the vanguard of laborers--a special form of class alliance of the proletariat with the nonproletarian laboring class consisting of a large number of people (the petite bourgeoisie, small property owners, peasants, intellectuals, and so forth) or with the great majority of them." ("Collected Works of Lenin," vol 29, pp 343-344) In practice, he led the Russian proletariat and the revolutionary people to create the Soviet regime "as a form for realizing the dictatorship of the proletariat." ("Collected Works of Lenin," vol 33, p 89)

The historical conditions of the Chinese society were not only basically different from those of relatively developed European and American capitalist countries but also greatly different from those of Russia. Contemporary China was not a capitalist country or an independent democratic country. Instead, it was a semicolonial and semifeudal country unusually backward economically and culturally. "Internally, there is no democratic system but only oppression from the feudal system. Externally, there is no national independence but only oppression from imperialism." ("Selected Works of Mao Zedong," p 530) Regarding the conditions of social classes and class relations, the country was marked by the following several prominent features: 1) The feudal landlord class and bureaucrat-capitalist class that seized control of the political power of the state and ruled and oppressed the proletariat and the whole body of people were supported by various imperialist countries. (Due to dependence on different imperialist countries, the bureaucrat-capitalist class was internally divided into different political cliques and political factions. The contradictions between them reflect the contradictions between various imperialist countries, which could be exploited in the process of the revolution.) 2) The proletariat consisted of an extremely small number of people. On the eve of liberation, modern industry accounted for only around 10 percent of the gross national product, with only 2 million industrial workers. However, the proletariat was highly concentrated and its birth preceded that of the Chinese bourgeoisie. Due to great exploitation and oppression at the hands of imperialism, feudalism and capitalism, it was highly revolutionary and militant.

3) Peasants accounted for over 80 percent of the national population. Scattered backward individual agriculture and handicrafts represented around 90 percent of the national economy. Like the proletariat, the masses of peasants and urban petite bourgeois elements suffered greatly from the oppression and exploitation of the three big mountains. 4) The Chinese national bourgeoisie was different from the bourgeoisie of European and American capitalist countries and Russia and was a class with a dual nature. On the one hand, oppressed and shackled by imperialism and feudalism, it clashed with them and had a revolutionary nature. On the other, due to its economic and political weakness and its labyrinthian links with imperialism and feudalism, it lacked the courage to go all out fighting imperialism and feudalism and was of a conciliatory nature. The above national conditions not only determined the development of the Chinese revolution and the concrete revolutionary road but also determined the political regime established in the revolution with its own unavoidable historical features.

Everyone knows that it was no simple matter to deeply grasp such national conditions in the process of our revolution. We had paid a great price on that account. However, under the leadership of Mao Zedong, the most outstanding representative of Marxism in our country, our party at last correctly understood and grasped these national conditions. We brought about the integration of fundamental Marxist principles with the concrete practice of the Chinese revolution. We realized that the problem central to the Chinese revolution was the peasant problem. The revolutionary war was in essence a peasant war led by the proletariat. If the proletariat did not form a firm alliance with the peasants representing the overwhelming majority of the population, it could not exercise leadership over the revolution. Meanwhile, only on the basis of a worker-peasant alliance and the integration of the urban petite bourgeoisie with the national bourgeoisie, could we isolate to a maximum degree the three arch enemies and form a large revolutionary army to achieve a victory in the national revolution. Based on such a correct understanding of the national conditions, our party and Comrade Mao Zedong defined the strategy of dividing the historical course of the Chinese revolution into two stages: the new democratic revolution and the socialist revolution. It pointed out that the supreme form of revolution was armed struggle and that armed counterrevolution must be matched with armed revolution. It stressed the revolutionary road calling for encircling cities from the countryside and at last seizing control of cities. It not only did all this but gradually developed the idea of people's democratic dictatorship. (By the way, though the idea of "people's democracy" was first used by the information bureau of the Communist Party and the Workers' Party in 1947, the theory of our party and Comrade Mao Zedong on the new democratic revolution of China had already been formed by then.) In "On New Democracy" and "On the Coalition Government," Comrade Mao Zedong pointed out that the new China should "establish a national system of a democratic alliance of a united front based on the overwhelming majority of people of the country and led by the working class." "This is a national system that really meets the demand of the overwhelming majority of the Chinese population." In a report at the Second Plenary Session of the Seventh CCP Central Committee in March 1949, Comrade Mao Zedong clearly put forward the idea about "the people's democratic dictatorship led by the proletariat and based on the worker-peasant alliance." In the article, "On Democratic Dictatorship" in June the same year, he also pointed out: "What does 'the people' mean? In China at its present stage, 'the people' means the working class, the peasant class, the urban petite bourgeoisie and the national bourgeoisie. Under the leadership of the working class and the Communist Party, these classes unite, form their own country, elect their own government and exercise dictatorship over the henchmen of imperialism, that is, the landlord class and the bureaucrat-capitalist class and the Kuomintang reactionaries and their accomplices representing these classes." "In summing up our experiences, the most important point is a people's democratic dictatorship led by the working class (through the Communist Party) and based on a worker-peasant alliance. This dictatorship must unite with international revolutionary forces. This is our formula and our most important experience. This is our main program."

When the new China was founded, our government was formed according to the principle of people's democratic dictatorship. This principle was incorporated into the fundamental major laws of our country. In September, 1949, the "common program" which was adopted at the First Plenary Session of the CPPCC and which had the temporary effect of a constitution said: "The Chinese people's democratic dictatorship is a regime of a people's democratic united front of the Chinese working class, the peasant class, the petite bourgeoisie, the national bourgeoisie and other patriot democratic elements and is based on the worker-peasant alliance and led by the working class." In September 1954, it was clearly stated in our Constitution: "The People's Republic of China is a people's democratic state led by the working class and based on the worker-peasant alliance."

After the founding of new China, we promptly carried out the great change from the new people's democratic revolution to the socialist revolution. As a result, the people's democratic dictatorship also became a state political power of a socialist nature in the whole country. Why did our state political power still continue to adopt the form of the people's democratic dictatorship in the socialist period? Although the proletariat of our country had rapidly expanded its ranks since the nationwide liberation, it still accounted for only a relatively small proportion of the Chinese population. Without the worker-peasant alliance, it would have been impossible for the proletariat by itself to maintain a consolidated rule of the majority over the minority. Without the worker-peasant alliance, it would also have been basically impossible to achieve victory in our socialist revolution and socialist construction. In the period of socialist transformation of the private ownership of the means of production, our national bourgeoisie still had a dual character. On the one hand, they made profits by exploiting the proletariat; on the other, they supported the Constitution and were willing to accept socialist transformation. The contradictions between the proletariat and the national bourgeoisie belonged to the category of contradictions among the people. The struggle between the proletariat and the national bourgeoisie was in general a class struggle among the people. So like the peasants and petite bourgeoisie in the cities, the national bourgeoisie, apart from a few reactionary capitalists and their political representatives, could not only participate in the state political power led by the proletariat and in the political life of the state before the socialist transformation, but could also do so after the socialist transformation. These circumstances determined that we should adopt the form of people's democratic dictatorship as the political power of our socialist country and that this form of dictatorship was not only suitable in the period of new democracy, but also in the socialist period. The targets of domination and suppression by our dictatorship are the remnant reactionary forces of the landlord class and the bureaucrat-capitalist class and other reactionary forces which are hostile to and attempt to undermine our socialist revolution and construction. Although from 1956 onward party and state documents had started to use the formulation of proletarian dictatorship with regard to state political power, the formulation of people's democratic dictatorship still continued to be used. For example, in his political report to the Eighth CCP Congress in 1956, Comrade Liu Shaoqi used these two formulations at the same time. In 1957, Comrade Mao Zedong in "On the Correct Handling of Contradictions Among the People" wrote: "Our dictatorship is the people's democratic dictatorship led by the working class and based on the worker-peasant alliance." In 1962, in his speech at the enlarged central work conference, Comrade Mao Zedong still used these two formulations of proletarian dictatorship and people's democratic dictatorship at the same time. He said: Our state "is a dictatorship of the proletariat or a people's democratic dictatorship."

From the above, we can clearly see that the theory of people's democratic dictatorship represents a creative application and development of the Marxist theory of the state. It is an important component of Mao Zedong Thought.

Compared with the two forms of proletarian dictatorship put forth by Marx and Engels and the Soviet Government founded by the Russian October Revolution, the people's democratic dictatorship of China has the outstanding features of the alliance of classes that form the political regime, in the targets of suppression and, in particular, in the handling of the status of the national bourgeoisie in state political power and in national political life. Marx and Lenin had put forth the idea of using peaceful means to "buy out" the capitalist economy and change it into a socialist economy after the seizure of political power. Lenin also envisaged carrying out the domination and suppression of the bourgeoisie after the setting up of proletarian dictatorship, but, on the whole, not restricting or depriving the bourgeoisie of the right to vote because "the disenfranchisement of the bourgeoisie is not a necessary and indispensable feature of the dictatorship of the proletariat," and not "an indispensable condition in the historical and class concept" of dictatorship. ("Collected Works of Lenin," vol 28, pp 253, 237) However, their ideas did not materialize after the victory of the October Revolution. As an exploiting class, the national bourgeoisie is, undoubtedly, a target of the socialist revolution. However, it is not a target of suppression by the state political power. Members of this class, as part of the people, enjoy not only the right of election but also various democratic rights provided by the Constitution like other people. Members of this class and their representatives can also participate in the organization and management of political, economic and cultural institutions in the country. Our country has adopted the policy of utilizing, restricting and transforming capitalist industry and commerce and created in the process a complete set of rational measures of transformation such as the placing of processing orders, exclusive purchasing and marketing, selling on commission and acting as commission agent and engaging in joint state-private ownership for all categories of goods. With the participation of the national bourgeoisie, China successfully fulfilled the historical mission of peacefully transforming the capitalist economy without causing any serious repercussions in society. At the same time, during and after the period of the basic completion of socialist transformation, our party and government have adopted a series of correct measures to gradually and effectively transform most of the national bourgeoisie from exploiters into self-supporting workers and peacefully accomplished the historical mission of enabling the national bourgeoisie to wither away as an exploiting class. This was a new event in the world history of socialism as well as a new contribution to Marxist theory on the proletarian revolution and the dictatorship of the proletariat.

Comrade Liu Shaoqi stated in his political report to the Communist Party's eighth national congress: "Our people's democratic dictatorship at the present stage is in essence a form of the dictatorship of the proletariat." Why did he say that our people's democratic dictatorship, established after the founding of new China, was in essence the dictatorship of the proletariat, rather than a joint dictatorship by the various classes among the people or a joint dictatorship by the working class and the peasantry? This is because the state political power of the people's democratic dictatorship is led by the proletariat in China through its vanguard, the Chinese Communist Party, and it follows proletarian policies and shoulders the historical mission of the proletariat of building socialism. Lenin said on one occasion, "The highest principle" of the proletarian dictatorship "is to safeguard the alliance of the proletariat with the peasantry in order that the proletariat can maintain its leading role and the state political power," "The proletarian dictatorship is the leadership of the proletariat in policies," ("Complete Works of Lenin," vol 32, pp 477, 332) Therefore, we cannot judge whether or not a state power is the proletarian dictatorship simply by whether the state power is formed by the proletariat alone or with the participation of various classes among the people. The key is to determine whether or not the proletariat and its political party are in a leading position in the political power and exercise leadership and whether or not the political power follows proletarian policies and shoulders the historical mission of the proletariat.

After the founding of the country, our people's democratic dictatorship immediately began to perform the task of realizing socialist transformation. That is to say, under the leadership of the proletariat and the Communist Party, it united all the laboring people and other social forces which could accept socialism to turn the private ownership of the means of production by the bourgeoisie and small-scale producers into socialist public ownership, to abolish the system of exploitation of man by man and to organize the socialist economic and cultural construction. This means, in other words, that adherence to the Communist Party's leadership and the socialist road is the common political ground shared by the workers with the peasants, urban petty bourgeoisie and national bourgeoisie in state political power. Various classes among the people "jointly implement the line of policy of the proletariat," "such state political power, in its essence, can only be the dictatorship of the proletariat." ("Political Report of the CCP Central Committee to the Eighth National Congress of the CCP") In the past, the national bourgeoisie took part in state political power as a class. Now, things have changed and the national bourgeoisie no longer exists as a class. Its members take part in state political power as members of the people rather than as representatives of a class. Today, the task of China's people's democratic dictatorship is to unite all the people and build China into a socialist country with material modernization, a high degree of political democracy and a high degree of spiritual civilization. This is still the continuation of carrying out the historical mission of the proletariat. So, in essence, it is still the dictatorship of the proletariat.

It should be pointed out that the people's democratic dictatorship is not only suitable for China's national conditions but also has its remarkable advantage in national expression. It denotes more clearly and exactly the nature and contents of China's state political power of the proletarian dictatorship. As a state political power controlled by and under the leadership of the proletariat, and as a kind of historical and class notion, the proletarian dictatorship originally includes in class relationship the contents and functions of democracy and dictatorship; that is, to practice democracy among the proletariat and the whole people and to suppress the reactionary classes and enemies of the people. In "The Communist Manifesto," Marx already explicitly stated, "The ascendance of the proletariat to a ruling class" is "the struggle for democracy." Lenin also said on one occasion, the proletarian dictatorship "is a country with a new type of democracy (democracy for the proletariat and ordinary poor people) and a country with a new type of dictatorship (dictatorship over the bourgeoisie)." ("Selected Works of Lenin," vol. 3, p. 206) The proletarian dictatorship is "the proletarian democratic system." ("Selected Works of Lenin," vol. 4, p. 568) However, taken literally, the term proletarian dictatorship mentions "dictatorship" alone, without "democracy." Consequently, very often it is not easy for those who have not made a special study on this to understand clearly at a glance all the meanings it contains. Shortly after the victory of the October Revolution, the Mensheviks and members of the Socialist Revolution Party made a big to-do about the word "dictatorship." They "use the proletarian dictatorship to frighten the peasants."

To this, Lenin said, "Peasants really could not study theory in the past, nor can they do so now," "What the peasants have seen is not a banner with the words 'proletarian dictatorship' written on it but banners with the words 'constitutional council' and 'the people's state political power.' They have never seen the word 'dictatorship' and they do not understand the word 'dictatorship.' But through facts, they have come to understand that Soviet political power is better." ("Complete Works of Lenin," vol. 30, pp. 466, 467) Taken literally, the term people's democratic dictatorship mentions the people instead of the proletariat. (In formal explanation, we must state that it is under the leadership of the proletariat or the working class and on the basis of the alliance of workers and peasants.) It consists not only of "dictatorship" but also of "democratic," directly indicating the two aspects: people's democracy and people's dictatorship. It is the proletariat and the masses of the people who support the socialist system who enjoy democratic rights and exercise the dictatorship.

Our party and Comrade Mao Zedong explained this on several occasions: "The combination of these two aspects, democracy for the people and dictatorship over the reactionaries, is the people's democratic dictatorship." ("Selected Works of Mao Zedong," p 1480) Comrade Mao Zedong also pointed out: "The people cannot exercise dictatorship over themselves, nor can one section of the people oppress another. Lawbreakers among the people will be punished according to law, but this is different in principle from the exercise of dictatorship to suppress enemies of the people. ("Selected Works of Mao Zedong," vol 5, p 366) "As for the members of the reactionary classes and individual reactionaries, so long as they do not rebel, sabotage or create trouble after their political power has been overthrown, labor and work will be given to them as well in order to allow them to live and remodel themselves through labor into new people." ("Selected Works of Mao Zedong," p 1481) The state political power of the people's democratic dictatorship has the dual task of people's democracy and people's dictatorship and the dual task of handling contradictions among the people and contradictions between ourselves and the enemy. Practice has proved that the expression people's democratic dictatorship is scientific and has been accepted by the people. From the banner of people's democratic dictatorship, people can very easily understand the nature, contents and function of China's political power. This helps prevent misunderstandings and one-sidedness in practical work. During the decade of turmoil, the term people's democratic dictatorship was cast aside by the Lin Biao and Jiang Qing counter-revolutionary cliques, who raised a hubbub about "overall dictatorship." It is completely correct for the CCP Central Committee at present to restore the term people's democratic dictatorship which conforms with China's national conditions and took root long ago in the hearts of the people. Now that the exploiting classes have been eliminated as classes, the scope of the targets of China's dictatorship has been further diminished and the scope of the people who enjoy democratic rights has been accordingly expanded. In this sense, the phrase people's democratic dictatorship completely conforms to the concrete situation of the new period and is totally in accordance with the course of development in the future.

#### REMIN RIBAO URGES PROMOTING DECORUM, COURTESY

HK211258 Beijing REMIN RIBAO in Chinese 10 Apr 81 p 1

[Commentator's article: "Let the New Breeze of Decorum and Courtesy Sweep Across the Motherland"]

[Text] Activities in promoting decorum and courtesy, which stress decorum, courtesy, sanitation, order and morality and which emphasize the beauty of the mind, language, behavior and the environment, have been widely publicized and gradually launched throughout the country. The central ministries and commissions, provincial and municipal authorities as well as basic-level party and government organs have all made decisions, issued circulars and vigorously supported these activities. Many places have actually launched extensive publicity and mobilization campaigns. Some have held forums and symposiums. Some have drawn up disciplinary norms and moral principles such as "students' regulations," "young workers' regulations," "athletes' regulations," "village rules and social agreements" and "regulations of decorum." Others have even summed up and publicized the experiences in grasping decorum and courtesy in the past and commended some collectives and individuals who have paid attention to decorum and courtesy. All these have stimulated the development of the activities in promoting the "five stresses" and "four beauties."

The fact that the activities promoting the "five stresses" and "four beauties" jointly proposed by nine units including the All-China Federation of Trade Unions, the CYL Central Committee and the All-China Women's Federation aroused such a strong response and extensive concern was somewhat unexpected by some comrades. These comrades worry: "The 'five stresses' and 'four beauties' may be good, but how much effect can they produce?" And that "as the activities develop, they may deteriorate into sheer formalism."

Indeed, we have put forth many slogans over the past 30 years or so. Many of them were not properly put forth and were "leftist," and their effects were not good. Concerning some of them there was nothing wrong in the slogans themselves, but they deteriorated into sheer formalism in actual practice. These experiences and lessons are certainly worth remembering. Improper slogans went wrong because they violated the interests and desires of the masses, or they did not suit the actual situation. Thus, they could only be forcibly pushed forward through the means of administrative orders; the result was that things went contrary to people's wishes. But on the other hand, some slogans, such as the one on patriotic public health movement put forth at the beginning of the 1950's and the one on learning from Lei Feng put forth at the beginning of the 1960's, manifested the objective needs and the masses' desires. It was thus possible for those slogans to get around very fast and be all the rage for a time and produce very good effects. The popularity of our current activities in promoting the "five stresses" and "four beauties" are by no means something accidental. They have manifested the masses' earnest desire to change the social habits and to build our spiritual civilization. After the 10 years of great upheaval, the masses desire stability and unity as well as an orderly, clean, sanitary, quiet and easy social environment in which people are friendly and harmonious. These are in fact necessary for building a powerful, modern socialist country with a high degree of spiritual and material civilization and for bringing up a new socialist generation. They are by no means something pulled out of thin air by an individual leader sitting in the house. They in fact originated among the masses and are themselves created by the masses. After the smashing of the "gang of four," and especially during the past 2 years, the question of stressing decorum and courtesy and strengthening moral education has been included in the daily agenda. Many localities and units in Tianjin, Wuxi, Shanghai, Hangzhou and Wuhan have actually scored pleasing results in conducting education in the "four beauties" and in launching various activities in promoting decorum and courtesy among young people. As a matter of fact, the All-China Federation of Trade Unions, the CYL Central Committee, the All-China Women's Federation and the other six units had summed up the experiences of those localities and units and tested them in pilot projects for some time before they finally made their proposal to the whole country and launching activities in promoting the "five stresses" and "four beauties."

Of course, it has also been frequently the case that many activities which are in keeping with the desires of the masses and which meet the needs of the actual situation have failed to achieve the expected results and have merely become "a gust of wind." It is thus necessary that we specifically strengthen our leadership work. We must see that it is by no means an easy task to restore and develop those good moral habits on the spiritual ruins caused by Lin Biao and the "gang of four." It is necessary that we make long-term and unremitting efforts. To make the new habits of decorum and courtesy take root among the new generation and become their norms of behavior, we must grasp the work right now and start training them while they are still young. This is a question of educating a generation and 1 or 2 years will never be enough. It will take 8 to 10 years to accomplish anything. In case some localities and units have taken the activities in promoting the "five stresses" and "four beauties" as merely a short-term shock task in their leadership thinking, then they would probably carry out the activities only perfunctorily or superficially and make a show of bustle and excitement. We must grasp the "five stresses" and "four beauties" as a significant task in building spiritual civilization and grasp them repeatedly over a long period of time. We must at least grasp the task several times a year, put the activities on a sound basis and deepen them step by step. We must integrate the activities in promoting the "five stresses" and "four beauties" with the activities in learning from Lei Feng and striving to become shock troops in the new Long March, "8 March" standard bearers and "three good" students in the society as well as the activities in striving to score meritorious achievements launched among the PLA units.

We must also take the new habits of decorum in promoting the "five stresses" and "four beauties" as basic criteria for appraising and granting new honorable titles. These in fact constitute an effective method of making the "five stresses" and "four beauties" in our regular activities.

The "five stresses" and "four beauties" are not merely the young people's business. These activities must be publicized throughout the country and deepened among all trades so that they are known to every household. All fronts must proceed from their own respective actual situations and mobilize the masses to draw up for their own units the norms for activities in promoting decorum and courtesy as well as moral regulations. The schools are the major positions for the "five stresses" and "four beauties." All types of schools must carry out the activities extensively, penetratingly and persistently in connection with the implementation of the students' regulations, and educate and train the students to become men and women who have been cultivated with socialist civilization. Commercial, service, communications and transport departments are the "windows" of social habits of decorum and courtesy. The staff and workers of those departments must set themselves as examples in stressing decorum and courtesy, loving their work posts and showing concern for other people so as to produce a positive influence on society. Cultural, physical cultural and other ideological departments must bring the "five stresses" and "four beauties" to the stages, the screens, books and stadiums. They must provide their readers and audiences with enjoyment in beauty and education in morality and they must never publicize or exhibit degenerate, corrupt and ugly things. And such activities in changing the prevailing habits and customs, all our Communist Party members, and especially the party's leadership cadre at all levels, have an unshirkable responsibility. To vigorously promote the habits of decorum and courtesy, we must have a good party work style as our stimulant. Comrades throughout the party, and especially the party's leadership cadre, must set themselves as examples, take the lead in participating in the activities in promoting the "five stresses" and "four beauties," in resisting evil trends and unhealthy habits and in following moral norms and use their own model actions to stimulate all circles to make a concerted effort to strive to mold and promote new habits in decorum and courtesy.

Let the new breeze of decorum and courtesy sweep across the motherland!

#### RENNMIN RIBAO STRESSES ENVIRONMENTAL PROTECTION

HK210827 Beijing RENMIN RIBAO in Chinese 26 Mar 81 pp 1, 4

[Editorial: "Do a Good Job in Environmental Protection in the Course of Readjusting the National Economy"]

[Text] Recently, the State Council issued a "resolution on strengthening the work of environmental protection in the course of readjusting the national economy." This is another major measure adopted by the State Council in the course of readjusting the national economy. It must be conscientiously implemented.

Since 1973, the CCP Central Committee and the State Council have issued many directives on the prevention and control of pollution and the protection of the environment. Under the leadership of party committees at all levels and the people's governments, we have made achievements in the work of environmental protection. However, due to the long term influence of the "leftist" ideology in economic construction, many comrades still lack the necessary understanding of the importance of environmental protection. At present, our country's environment is still extremely polluted, its natural resources are severely disrupted and its natural ecological balance is severely upset. This has adversely affected the people's livelihood and production and has become a serious question in the development of the national economy.

Thus, in the course of readjusting the national economy, we must earnestly act according to the resolution of the State Council, strengthen leadership over the work of environmental protection, conscientiously implement the law on environmental protection in connection with the policies and measures adopted in economic construction, try every possible means to do a good job in this work and gradually control environmental pollution and the use of natural resources.

It is very important to protect the environment in the course of developing the national economy. The environment provides resources for production and man's livelihood. In the final analysis, society's production means getting natural resources and changing them into various means of production and goods for consumption. To a great extent, the speed of production development depends on the exploitable reserves of the nonrenewable resources and on the reproducing capacity of the renewable resources. The process of production is also a process of consumption. When a natural resource is turned into a product, some of it is changed into waste material which is returned to nature. Society's production and consumption are thus carried out in accordance with the law of natural ecology. However, under the influence of the "leftist" ideology in the past, we laid undue emphasis on speed in the short term period and on the exploitation of resources, but neglected the supply and renewing capability of natural resources. As a result, our resources were severely ruined and exhausted. In carrying out capital construction, we paid attention only to the building of the main projects and neglected the antipollution facilities. We regarded rivers and the atmosphere as cheap places for waste disposal. As a result, the environment was severely polluted, the ecological balance was radically upset, the material basis required by society's reproduction was ruined, the people's health was jeopardized and great losses were caused to society.

The environmental problem is a complex one which involves the economy, technology, society and other aspects of the national economy. To control environmental pollution properly and exploit and utilize natural resources in a rational manner is an important task for furthering modernization and raising the level of civilization in all of society.

While achieving socialist modernization, it is necessary to do a good job in environmental protection. This is needed by the four modernizations and the socialist system. As long as we conscientiously eliminate the influence of the "leftist" errors and implement the resolution of the State Council, we will be able to do a good job in environmental protection. Of course, it requires a lot of work to solve the longstanding problem of environmental pollution. However, we should try to solve it in accordance with our capability rather than go beyond objective economic feasibility. While developing the economy, we must enthusiastically bring environmental pollution under control. This does not mean that environmental protection cannot play a positive role during the period of economic readjustment. On the contrary, it can play a positive role as long as we have a correct understanding and adopt effective measures. Let us take the control of industrial pollution for example. If we integrate the reduction of the "three wastes" with the conservation and comprehensive utilization of resources and energy, we will not only be able to put pollution under control but will also be able to promote production so that production can further develop penetratingly and extensively. There are great potentials in this aspect. For example, the Shenyang smeltery, the Gansu silver and nonferrous company and the Zhuzhou smeltery caused serious pollution and damage in the past. The masses strongly objected to this. Over the past years, they have tried to protect the environment in connection with production, laid emphasis on the elimination of pollution and on conservation of energy, strengthened the management of enterprises and carried out technological reforms and comprehensive utilization. As a result, they have attained remarkable achievements.

Every year, the above-mentioned three enterprises retrieve up to a hundred thousand tons of sulphuric acid and large quantities of rare metals including copper, lead and cadmium from waste gases and save several million tons of water. Moreover, they have greatly increased their profits, created a great deal of material wealth for the country and reduced the damage caused by pollution. These are good things and are ways of killing several birds with one stone. Why don't we do more things like these?

With regard to the control of pollution in urban areas, as long as we earnestly strengthen our leadership, organize the forces of various sectors, adopt practicable and effective measures, we can also score good results while spending little money. For example, Lanzhou was once one of the most seriously polluted cities. Under the leadership of the Lanzhou municipal government within Gansu Province, measures including the rational distribution of coal and the accelerated refitting of boilers and the central heating system have been adopted. The emission of smoke and carbon dioxide in urban areas has been reduced by 53 percent and 40 percent respectively. Atmospheric pollution in urban areas has also greatly been reduced. The above example shows that the views which hold that environmental protection work cannot play a positive role during the readjustment period are untenable.

In order to control pollution and disruption of the environment, it is necessary to resolutely include environmental protection in the plan for readjustment of the national economy and carry out environmental protection in close connection with the various measures in furthering economic readjustment. In curtailing the overextended front of capital construction, it is essential to resolutely halt those projects whose layout is unreasonable and whose use of resources and energy is wasteful as well as those projects that cause serious pollution to the environment and fail to take effective measures to control such pollution. In all cases of new construction, rebuilding or expansion in capital construction projects, there must be rigid adherence to the principle of "three simultaneous" [facilities intended to prevent environmental pollution must be designed, constructed and put into operation simultaneously with the main project]. It is necessary to strengthen management over neighborhood enterprises as well as over enterprises run by rural communes and brigades, and to promote pollution-free trams to serve urban life and agriculture. We can control new pollution provided we maintain a check on all capital construction projects. We must step by step and in a planned way combat pollution at old enterprises in close connection with industrial readjustment and reorganization. At present, it is necessary to pay particular attention to solving problems of serious pollution at factories and enterprises located in residential districts, water source preservation areas and scenic and tourist spots. Factories and enterprises that are backward in production technology, pose a serious pollution hazard and are difficult to control should be closed, suspended, merged and shifted to other types of production in accordance with actual conditions and in a planned way. All factories and enterprises must regard pollution as an important issue in increasing production and practicing economy, and prevent and combat pollution in close connection with technical renovations and equipment replacements, with energy conservation as the central aim. The reduction of emission of waste materials will bring along the reuse of waste materials. Thus, the utility of resources will be maximized. As soon as industrial pollution is put under control, environmental pollution will be greatly reduced. With regard to the exploitation and utilization of natural resources, we must act according to the law of natural ecology. At present, we must be particularly strict in controlling damage to water and land resources as well as to forests.

Since the announcement of the law on environmental protection, the people's government and people's congresses have implemented many policies to reward comprehensive utilization and carried out the method of charging fees for waste disposal on a trial basis with the introduction of some concrete regulations and methods of management.

These measures have forcefully promoted the control of pollution in factories and enterprises and achieved good results. At present, we must continue to penetratingly and extensively propagandize the law on protection so that everyone will know the law and will earnestly act according to it. Simultaneously, we must introduce some specific decrees, regulations and provisions regarding the protection of oceans, water resources and the atmosphere and regarding the environmental control of capital construction. We must perfect the regulation on the protection of environment in order to supervise and impose restrictions on various departments, factories and enterprises so that they will take into consideration the needs of environmental protection when carrying out various activities.

The people's governments at all levels must regard environmental protection work as their important task, list it in their daily agenda and pay full attention to this work. We must continue to penetratingly and extensively popularize environmental science, disseminate environmental science information and foster a social climate in which "everyone feels responsible for environmental protection" in order to mobilize the forces of various sectors. We must protect the environment and make contributions toward the construction of socialist material and spiritual civilization by creating a clean and beautiful environment for our daily life and work.

#### FURTHER ON SHANGHAI INDUSTRY, TRANSPORT CONFERENCE

##### Shanghai's Experiences

OM71116 Beijing XINHUA Domestic Service in Chinese 1622 GMF 16 Apr 81

[Excerpts] Shanghai, 16 Apr (XINHUA)--How can Shanghai's advanced experiences be introduced to the hinterland to enable our country's existing industries and enterprises to do a better job in tapping their potential and raising their economic efficiency? This is an important subject under discussion at the national industrial and transport conference being held in Shanghai.

Shanghai is the largest industrial base in our country. It has accumulated rich experience in running industry in past years. Its technical and management levels are relatively high and its economic efficiency is obviously higher than that of other localities in the country. People maintain that compared with the advanced experiences abroad Shanghai's advanced experiences are more applicable to our country's actual situation and more direct and realistic to learn, and they produce effects more easily.

The conference stressed: In learning from Shanghai's advanced experience, it is imperative to stress practical effects in a down-to-earth way, avoid making it into a movement and refrain from practicing formalism. Economic commissions in the various localities should collaborate with industrial and transport departments in doing research, making unified arrangements, making plans, doing a good job in organizational and leading work and preventing hasty mass actions. With regard to concrete methods, the conference asked all localities to pay attention to the following points: 1) stressing practical effects of learning; opposing sensational and clamorous activities and ostentation and extravagance, as well as formalism and the use of such learning as a pretext for tourist activities that tire the people and drain the treasury; 2) integrating the learning from Shanghai's advanced experiences with that from the advanced experiences of the advanced coastal areas and the local areas; 3) opening up multiple avenues of learning to avoid sending personnel to Shanghai every time; using all kinds of propaganda tools to run research and study classes and summarize and spread Shanghai's experiences; or making films, composing informational materials, printing special-subject pamphlets, organizing exhibitions and holding meetings to exchange experience as a means of introducing Shanghai's experiences.

## Emulation Suggestions

08171542 Beijing XINHUA In English 1528 CHT 17 Apr 81

[Text] Shanghai, 17 Apr (XINHUA)--The national conference on industry and transport now in session here called on enterprises in different parts of the country to learn from their counterparts in Shanghai. The emulation will help the enterprises tap the potential of existing equipment and improve economic performance, the conference noted.

Shanghai, China's largest industrial center with a history of 140 years of industrial development, has rich experience in industrial management and a higher technical level than any other part of the country. Shanghai's financial revenue in the last 31 years was 291,000 million yuan while total investment in capital construction in the city was 23,200 million yuan, accounting for only 7.9 per cent of the total revenue in the period.

During the present economic readjustment, China is laying chief emphasis on upgrading the existing industrial installations and tapping their potential instead of building new projects. Shanghai's industrial development points to a way of expanding China's industry with relatively low investment and quick returns.

Compared with advanced foreign experience, Shanghai's experience in industrial management is more easily accessible and suited to China's actual conditions, the conference said. If all areas should reach the average level in Shanghai, China's economic performance would reach a much higher level, it said. This does not mean that China will stop introducing foreign experience, the conference noted. It will continue to import advanced technology and equipment in accordance with practical needs.

Some of the enterprises in Jiangsu, Sichuan and Hubei Provinces have benefited much from Shanghai's technical know-how, the conference noted.

According to proposals made at the conference, Shanghai will send technicians to other parts of the country and help train managerial workers and technicians. Shanghai will help with designing and installation of machinery, and tackle key technical problems. Various forms of economic cooperation will be adopted by combining Shanghai's technical know-how with manpower and raw materials of other areas. The cooperation will be made on the basis of voluntariness on both sides and the recipient side will pay for Shanghai's services, the conference noted.

The conference suggested that the light, textile and electronics industries in the localities will be the first to learn from Shanghai on a full scale, in order to boost the production of consumer goods.

## Han Zheyi Address

08181138 Beijing XINHUA Domestic Service in Chinese 1621 CHT 17 Apr 81

[Excerpts] Shanghai, 17 Apr (XINHUA)--In briefing a national industry and transport conference on Shanghai's experience in industrial development, Han Zheyi, vice mayor of Shanghai Municipality, said today: Annual financial revenue today amounts to the municipality's industrial fixed assets and an industrial worker's average annual output value is nearly 30,000 yuan. In other words, the funds Shanghai has accumulated each year for the state suffice for building an industrial base with the scale of Shanghai's industry, and the average annual output value achieved by each industrial worker in Shanghai is nearly twice that of industrial workers in other parts of the country.

Han Zheyi also said: Shanghai's industrial output value has increased since nationwide liberation. About one-fourth of the increased industrial output value has been achieved as a result of capital construction and three-fourths has been achieved by tapping old enterprises' potential. Now every 100 yuan of Shanghai's industrial funds makes 77.70 yuan for taxes and profits and every 100 yuan of output value uses 16.90 yuan of circulating funds. These figures show that Shanghai's industrial technological and management level is much higher than that in other parts of the country and that it organizes production far more economically and rationally than other regions do.

Han Zheyi systematically discussed several major things Shanghai's industry has done in increasing economic results in the past 31 years:

1. In accordance with the requirements of national construction and the changes taking place in the market, Shanghai has continuously readjusted and reformed the industrial, product and organizational structure. Since 1956 Shanghai has carried out industrial reorganization four times. The first reorganization was carried out from 1956 to 1957. During the reorganization a large number of scattered factories and enterprises were organized into specialized companies to produce products needed by the state. The second reorganization was carried out from 1958 to 1960 at which time efforts were made to strengthen machine-building and raw materials industries and to develop new industries and products. At the same time a number of new key enterprises were built through technical transformation. The third reorganization was carried out during the 3 years of readjustment at which time efforts were made to strengthen specialization and coordination to develop new industries such as the electronics industry. The fourth reorganization has been carried out since the downfall of the "gang of four," especially in the past 2 years. This reorganization has been aimed mainly at readjusting the proportion between light and heavy industries; at strengthening light, textile and handicraft industries; and at stepping up the production of electronic products for civilian use, consumer goods for daily use and products in short supply. This reorganization is still going on.

Changes have taken place in Shanghai's industrial structure through the four readjustments and reorganizations. Light industrial output value accounted for 52.6 percent of the municipality's total industrial output value in 1980, and heavy industrial output value accounted for 47.4 percent. The enterprise structure used to be one with small enterprises as the dominant factor, but now it combines big, medium and small enterprises. The level of specialization and coordination has been raised and more medium- and high-grade products have been produced.

2. Shanghai has stepped up the technical transformation of old enterprises and has made continuous efforts to tap their production potential. Through persistent technical transformation, fixed assets (machines, equipment and so forth) for each worker in Shanghai have increased from a value of over 4,600 yuan in 1957 to 10,300 yuan in 1981. The municipality now has a number of high-precision, numerically controlled large machine tools and automatic and semiautomatic production lines.

3. Shanghai has actively probed the reform of the economic structure and made efforts to enliven the economy. Since the 3d Plenary Session of the 11th CCP Central Committee, vigorous efforts have been made to conduct experiments in reforming the economic structure in accordance with unified arrangements by the party Central Committee and the State Council and in connection with the readjustment of the national economy. The overall situation in the municipality shows that since these experiments were started, the state has received more revenues, enterprises have reserved more profits for their own use, and the income of individual workers has increased.

To enliven the economy Shanghai's economic departments have given full play to the role of market regulations under the guidance of the state plan.

The municipality has set up means of production, chemicals and metal materials markets; farm and sideline products trade warehouses; and fruits, vegetables and aquatic products markets. It has restored and developed the comprehensive trade and trust service company as well as the small commodity wholesale market.

4. Shanghai's industry has improved its management to increase economic results. As a result, the total output value of the industries owned by the people increased nearly 40 percent in 1980 compared with that in 1976, and the total amount of their profits went up by more than 50 percent. At the same time, the circulating funds these enterprises used were reduced by nearly a third.

Han Zheyi said: Shanghai's industry has developed tremendously. However, influence of "leftist" mistakes on the ideology of leadership over the past 20 years and more, especially the interference and damage by Lin Biao and the "gang of four" during the 10 years of turmoil, has resulted in serious disproportions in many sectors. In the first 2 years after the downfall of the "gang of four," "leftist" mistakes continued to be made. As a result, faults were committed in work. There are still many problems economic development, and a lot of work needs to be done. For a fairly long time to come, we should effectively do the work of readjustment and step up economic reorganization, transformation and restructuring in order to solve such problems step by step and to give fuller play to the role of Shanghai as an old industrial base.

#### More on Han Address

OW181722 Beijing XINHUA in English 1514 GMT 18 Apr 81

[Text] Beijing, 18 Apr (XINHUA)--Shanghai's financial revenue from industry, commerce and other sources reached 17,200 million yuan in 1980, equivalent to the total value of the city's industrial equipment and machinery, Han Zheyi, vice-mayor of Shanghai, said at a national conference on industry and transport now in session there. Excerpts of his report are frontpaged in today's PEOPLE'S DAILY.

Labor productivity in Shanghai comes to 30,000 yuan per worker per year, nearly three times the national average, the vice-mayor said. Industrial enterprises in all parts of China are being called on to learn from Shanghai, the country's largest industrial center, in order to raise the technical and managerial level of China's industry.

The vice-mayor said that the total industrial output value of Shanghai in 1980 was 62,600 million yuan, 26 times the annual figure soon after 1949, when the People's Republic was founded. Three-fourths of the increase in total output value was achieved by renovating and upgrading industrial installations and tapping their potential, and the remaining one fourth, by launching new projects.

For every 100 yuan of capital, Shanghai's industry turns over to the state 76.7 yuan in tax and profits a year, much higher than any other part of the country. The city also registered the quickest return on industrial capital, showing Shanghai's technical and managerial competence.

Han Zheyi outlined the work done by Shanghai in the past 31 years to improve its industry's performance. In the course of four major industrial reorganizations, Shanghai developed industries producing new types of metals, polymer synthetic materials, computers, precision instruments and meters, precision machine tools and petro-chemical products. At the time of liberation in 1949, most of the 20,000 factories in Shanghai were small ones with out-dated machinery. At present the city has more than 7,000 enterprises, including large, medium and small ones.

Factories in Shanghai received technical help from universities and colleges and introduced advanced foreign technology. The city now possesses a number of high-precision, program controlled machine tools and automatic and semi-automatic production lines.

A number of factories in the city have been given more control over management and planning and they are allowed to retain part of the profit they earn above the state production quotas. This practice has resulted in more profit for the state, more funds at the disposal of the enterprises and increased income for the workers.

The products turned out in Shanghai under state plans in 1980 accounted for two thirds of the city's total industrial output value. The rest of the products were made under arrangements between the factories and other industrial departments or commercial agencies to meet popular demand.

Shanghai factories have opened up 500 sales departments and shops to sell their products directly to the public. The former practice was for the factories to hand over all the means of production they produce to the state materials supply departments, and all the consumer goods had to be sold through state commercial agencies.

The city's factories and enterprises in and outside Shanghai have signed contracts or are making preparations for cooperative production in more than 300 undertakings. Nineteen of the contracts are for compensatory trade with enterprises in other parts of the country.

#### Tianjin Vice Mayor's Report

OW190123 Beijing XINHUA Domestic Service in Chinese 1542 GNT 18 Apr 81

[Excerpts] Shanghai, 18 Apr (XINHUA)--Staff members and workers of the industry and transport front in Tianjin Municipality have worked to overcome difficulties and increase output and income in the readjustment of the national economy. They have achieved good results.

Li Zhongyuan, vice mayor and chairman of the Economic Commission of Tianjin Municipality, delivered a report at the national conference on industry and transport on 17 April. He introduced Tianjin's experiences in strengthening political and ideological work while carrying out readjustments in industry and unfolding the movement to increase production and practice economy.

Carrying out economic readjustment this year, municipal industrial enterprises have met with some unfavorable conditions. Some cadres and masses were afraid and lacked confidence in fulfilling annual production tasks.

In light of the situation, many enterprises organized staff members and workers to study the guidelines of the central work conference and held discussions on "what shall we do when the nation has difficulties." Through discussions the staff members and workers enhanced their understanding of the guidelines of the central work conference and have correctly understood the policy of readjustment of the national economy put forward by the central authorities. They have realized that the general national economy is quite good although there is still a latent crisis and the nation must develop its economy in order to raise incomes. In view of the nation's need and difficulties, staff members and workers have expressed their determination to help the nation solve its difficulties. They have changed their worries to efforts to serve the country. They are determined to share burdens for the country and to strive to increase production and income.

Li Zhongyuan said: The industrial departments in Tianjin are still faced with many difficulties and there is still an imbalance between enterprises. The production situation and economic results at some enterprises are far from satisfactory. However, the facts have proved that as long as we actively implement the readjustment policy, give full play to the spirit that the working class is the backbone of our country and work with concerted efforts to solve the difficulties of our country, we can certainly do a good job at promoting industrial production this year.

XINHUA CITES FIGURES ON THRIVING TEXTILE INDUSTRY

0W161012 Beijing XINHUA in English 0717 CMT 16 Apr 81

[Text] Beijing, 16 Apr (XINHUA correspondent)--Behind the lists of official figures that have attended the expansion of China's light industrial sector over the past two years, a clear picture is emerging of marked growth in the textile industry. The output value of the factories under the Ministry of Textile Industry increased at an average annual rate of 17 percent between 1977 and 1980. The growth rate reached 14.9 percent in the first quarter of this year compared with the same 1980 period, ranking among the fastest in all sectors of industry.

These are main reasons for the latest successes of the textile industry: home demand and state investment.

Of all consumer goods, textiles account for 25 percent of the total retail sales of commodities in China and the demand is especially heavy for woolen goods and silks. The state pumped more than 1,000 million yuan into the textile and related industries a year in 1979 and 1980, in addition to large sums given by provincial governments. About 70 percent was spent on the country's chemical fiber industry.

At Jinshan in Shanghai, the site of China's largest petro-chemical plant, work on the second stage of construction has already begun. When fully operational, the plant will produce 200,000 tons of synthetic fibers and 300,000 tons of chemical fiber monomers.

Six vinylon plants with a combined annual production capacity of 60,000 tons of chemical fibers have gone into operation in Fujian, Hunan, Jiangxi, Gansu, Anhui and Hebei Provinces. Three other vinylon plants have gone into trial production in other places.

Soon to be completed are the Liaoyang petro-chemical fiber plant in northeast China, equipped with imported machinery and with a designed annual production capacity of more than 100,000 tons of chemical fibers, and the Sichuan vinylon plant which uses natural gas as its raw material and has a designed annual production capacity of 45,000 tons of chemical fibers. The Tianjin general petro-chemical fiber plant with a designed annual production capacity of 80,000 tons of polyester fiber is now under construction and four out of its five imported sets of equipment will soon be in trial operation.

China produced 445,000 tons of chemical fibers in 1980 as against 180,000 tons in 1977 and the capacity of resin processing of polyester fibers for improvement of quality increased by 750 million meters, hitting an all-time high.

The 1980 output of woolen fabrics was 100 million meters thanks to the addition of 60,000 new woolen spindles.

China's cotton mills added 800,000 spindles last year. The mills wove 13,300 million meters of cotton cloth in 1980 and output of cotton yarn reached 16.25 million bales.

In textile industry, a lively home market is leading an export boom that has already generated a big increase in foreign earnings. In 1980, exports of quality textiles rose to \$3,200 million, an increase of 12 percent over 1979.

Practically every sphere of China's economy which has a bearing on the textile industry has been given the green light, from orders at the machinery plants for textile production equipment to priority on the railways for transport of raw materials, supplies of energy and bank loans.

## First Quarter Statistics

OW190731 Beijing XINHUA in English 0721 GMT 19 Apr 81

[Text] Beijing, 19 Apr (XINHUA)--China turned out more than 26 million meters of woolen fabrics in the first three months of this year, a 16 percent increase over the same 1980 period, according to figures from the State Statistical Bureau. Chemical fibers grew by 25.5 percent, woolen knitting yarns by 17.5 percent, cotton yarns by 5.1 percent, cotton cloth by 0.8 percent and a slight drop in silk and silk fabrics was registered.

To cope with the growing demand of woolen textile and chemical fiber goods, the Ministry of Textile Industry has decided to produce more woolen fabrics and step up the building of large chemical fiber mills.

Shanghai, China's leading textile manufacturer, made five to 11 percent more woolens, worsted piecegoods and mixed chemical fiber fabrics. Beijing doubled its output of worsted woolen fabrics while Tianjin produced 50 percent to 100 percent more woolen gabardines, fancy quiltings, cheviots and flannels in the first two months.

Textile mills are striving to streamline, upgrade and diversify production, said the ministry. In some factories, production has been grouped into flow lines covering spinning, weaving, dyeing and finishing. This has integrated mills and shops with related production functions and enabled efficient use of modern technology such as automatic evener devices, electronic yarn cleaning devices and photoelectric weft straighteners.

Many mills have also established study groups for quality control and modern management techniques, said the ministry.

STATE PURCHASE PLANS FOR GRAIN, COTTON FULFILLED

OW201533 Beijing XINHUA in English 1519 GMT 20 Apr 81

[Text] Beijing, 20 Apr (XINHUA)--The 1980 state purchase quotas for cereal grains, edible oils, cotton and a number of other industrial crops had been fulfilled by the end of February, the Ministry of Food and the All-China Federation of Supply and Marketing Cooperatives said today. The 1980 purchase year for grain, cotton and edible oils starts from April 1 of 1980 and ends in March 31 this year.

Apart from a decrease in grain purchases after last year's floods and drought, purchases of edible oils, sugar, tea, cotton and some other industrial crops were all higher than the 1979 figures.

The state collected and bought more than 49 million tons of grain between April 1, 1980 and February 28 this year, which was 3.88 million tons less than in the same period a year ago. However, it was bigger than the 1978 purchase year.

In the past two years, the government has reduced grain purchases so as to let the peasants keep more grain, the ministry said. The average grain consumption per capita in China went up to 240 kilogrammes in 1979 as against 214 kilos in 1976. The government reduced or waived grain purchase from peasants in areas hit by natural disasters and supplied them with 3 million tons of relief grain.

By March 10 this year, cotton purchases had reached a record 2.6 million tons, 480,000 tons more than in the same period of 1979 and 18.2 percent higher than the 1980 purchase quota.

Edible oil purchases were up to 1.31 million tons by the end of February, 216,000 tons more than in the corresponding period in 1979, and an all-time high.

The ministry of commerce said today that between last October and March this year, the state purchased 2.185 million tons of refined sugar, 140,000 tons more than in the same period a year ago.

Last year, tea purchases were 251,000 tons, topping the annual plan and silk cocoon purchases were 16.4 percent higher than the 1979 figure. By the end of March, the purchases of jute and amhary hemp were 1.01 million tons and of ramie 36,500 tons, a 26 percent increase in each case over the annual purchase quotas. However, tobacco purchases were down in comparing with the corresponding period of 1979.

The average income for peasants in 1980 was above that of 1979 as a result of the good harvest of industrial crops and the development of commune and brigade industries and family sideline production. An official of the federation of supply and marketing cooperatives said the increase in cotton output in 1980 brought the peasants an additional 3,000 million yuan.

The General Administration for Industry and Commerce said that by selling eggs, poultry, pork, mutton and beef at rural and urban open markets the peasants throughout the country received 4,750 million yuan last year.

#### XINHUA DISCUSSES 'HARMONIOUS' ECONOMIC GROWTH

0W180825 Beijing XINHUA in English 0753 GMT 18 Apr 81

[("China Aims at Harmonious Growth of National Economy"--XINHUA headline]

[Text] Beijing, 18 Apr (XINHUA)--China's present economic readjustment is aimed at achieving an over-all balanced national economy and creating conditions for future healthy growth, said Tian Jianghai, an economist at the Institute of Economics under the Chinese Academy of Social Sciences. He said that the readjustment was not just a reduction in capital construction.

"Financial deficits appeared in the last two years because state expenditure exceeded revenue," the economist said. To avoid further deficits and stabilize the economy, this year capital construction is being cut back and spending curtailed. At the same time production is to increase, quality rise, management improve and costs be lowered. "In essence, the deficit was caused by imbalances in the national economy," said Tian Jianghai. To root out this problem, measures must be taken to end the country's imbalanced economic structures and reform management, he noted.

The economist said that the disproportion was caused by the "left" attitude toward economic work. He explained that this had meant setting unrealistically high targets and expanding capital construction to achieve a high growth rate. But the actual conditions of China, with a big population but limited economic strength, had been largely ignored.

Since China had been a semi-feudal, semi-colonial country with no independent industry before liberation, it was essential for it to build up a fairly complete industrial system so the country could stand on its own feet, the economist said. But capital construction had been over-extended. Accumulation (annual spending on capital construction, increased circulating funds and reserves) in many years accounted for 30 to 36 per cent of national income and the lions share of investment went to heavy industry.

Tian Jianghai said that between 1949, the year of the founding of the People's Republic, and 1978, the total output value of the country's heavy industry shot up 90 times, that of light industry 20 times while that of agriculture was up only 3.4 times. In 1978, heavy industry consumed about half of the country's power output. He said that the imbalances manifested themselves first and foremost in the ratio between accumulation and consumption, and among agriculture, light industry and heavy industry.

He said there were also imbalances in the infrastructures of agriculture, light industry and heavy industry, within branches of industry and enterprises and in the proportional production of various types of goods. There was disharmony, too, among production, supply and marketing.

For instance, he said, the iron and steel industry had produced more large-sized rolled steel products for making big machinery than needed, but not enough small-sized rolled steel products for the manufacture of consumer goods. In agriculture, grain production had received one-sided emphasis, at the expense of diversified occupations. Not enough attention had been paid to some basic sectors related to the over-all development of the economy and the people's life. These include energy supply, communications and transport, service trades, and the building of workers' housing. In fact, Tian Jianghai said, things developed into a vicious cycle. Plans for more heavy industry--extended capital construction--bigger output of machinery and equipment for construction projects--further growth of heavy industry, had been the pattern. Heavy industry increasingly dominated other sectors of the economy.

Readjustment of the national economy began over two years ago, Tian Jianghai said. Measures taken included boosting agricultural and light industrial production, wage increases and price rises for farm products. Yet due to the over-concentration of funds and equipment on heavy industry, production of consumer goods had been unable to keep pace with the rise in the people's purchasing power in the past few years. Moreover, the economist said, the scope of capital construction had not been effectively reduced as originally planned. This had led to financial deficits, the issuance of too much currency and price hikes. Therefore, the economist said, further readjustment had to be made to change the situation and to turn the imbalance into balance. Those sectors of the economy that lagged behind were being expanded. The over-expanded sectors were being retrenched, but the retrenchment was aimed at making further advances, Tian Jianghai said.

The readjustment was intended to bring an appropriate growth to the different sectors of the economy, and the readjustment was not an expedient measure but a positive step with long range significance, he said in conclusion.

#### FIRST QUARTER LIGHT INDUSTRIAL GROWTH NOTED

OM171220 Beijing XINHUA in English 1203 GMT 17 Apr 81

[Text] Beijing, 17 Apr (XINHUA)--China's light industrial output value accounted for half total industrial output value in the first quarter of 1981, for the first time in over a decade. The growth of light industry, which lagged behind that of heavy industry for years, has outstripped it since 1979. Output value growth rate was 9.6 percent in 1979 and 18.6 percent in 1980. It was 9.9 percent higher in the first quarter of this year than for the same 1980 period.

The proportion taken up by light industry in total industrial output value rose to 50.2 per cent in the January-March period, as against 46.9 percent in 1980. The proportion of heavy industry dropped to 49.8 percent.

Light industry is being emphasized under the current readjustment. A greater quantity and variety of textiles, clothing, food, manufactured goods and other daily articles are being put on the market to keep pace with the rising purchasing power of the people.

Bicycles, sewing machines and wrist watches are known in China as the "three major popular items." The output of bicycles rose at an average annual rate of over 1.5 million in the past four years. The number reached 13 million in 1980. Output of sewing machines and wrist watches last year were 7.6 million and 22 million respectively, both more than double the corresponding figures for 1976. Production of these three products again rose in the first quarter of this year, but are still in short supply.

Big increases were registered in the production of television sets, washing machines and pocket-size calculators. China produced 284,000 TV sets in 1977 and the figure leaped to well over one million in 1979. In the first quarter of this year alone, 826,000 TV sets were produced. The output of washing machines and pocket-size calculators has also risen several fold in the past few years. There are also significant increases for cotton, woolen, silk and synthetic fabrics and handicraft products.

Total retail sales in China went up 12.4 percent in 1979 and 12.2 percent in 1980 (taking into account price rises). The commercial departments say the upward buying trend is continuing.

The growth of light industry has a deeper long-range significance. Over the years, too large a portion of China's funds and equipment was devoted to heavy industrial projects. They usually take years to complete and, after going into operation, are heavy consumers of raw material and energy. While heavy industry is indispensable for achieving national independence in industrial production, over-emphasis on it hampered the growth of agriculture and light industry.

A healthy, balanced growth of the economy calls for faster expansion of agriculture and light industry. Readjustment in this direction, Chinese economists say, will enable the country to develop with less investment but steady progress, bigger returns, better performance and more benefit to the people.

These are among the measures now being taken toward light industry:

--It is given priority over heavy industry in the supply of raw materials and energy and in technical transformation;

--New sugar refineries, chemical fiber equipment, cold storage units and other light industrial projects have been put into operation this year and others are under construction;

--Production of some heavy industrial products not needed at present is being trimmed to save energy and materials for manufacturing other goods; and

--Heavy industry is making greater efforts to meet the needs of agriculture and light industry. Some heavy industrial factories have been switched over to the production of consumer goods in heavy demand such as bicycles, sewing machines, tape recorders and TV sets.

STATE COUNCIL ISSUES HOUSING CONSTRUCTION CIRCULAR

0W201810 Beijing XINHUA Domestic Service in Chinese 1134 GMT 20 Apr 81

[Text] Beijing, 20 Apr (XINHUA)--With the improvement of the rural economy in recent years, the situation of housing construction in the countryside has rarely been better since the founding of the PRC. However, due to a lack of overall planning for and necessary control over housing construction in the countryside, a rather serious phenomenon has occurred in which farmland has been wantonly taken over for building houses and setting up commune- and brigade-run enterprises in many rural areas. The State Council recently issued a circular calling for putting a stop to building houses on farmland.

The State Council circular points out: Although our country is vast in territory, its farmland is very limited. The contradiction between a large population and limited farmland will become more acute with a growing population. If we lose control over the use of land, it will not only immediately affect the development of agriculture and production and the improvement of the people's living standards but will cause long-term, irremediable, disastrous consequences that will adversely affect our posterity. Under no circumstances must people's governments at all levels make light of this major matter that has a bearing on the long-term interests of the people and on the situation as a whole. They must educate rural cadres and commune members to correctly handle the relationship between the individual and the collective and between the immediate and long-term interests, to take the overall situation into account, to uphold the interests of the collective, to protect farmland and to economize on its use. No individual or unit is allowed to wantonly take over farmland for indiscriminate use.

The State Council circular requires that from now on overall planning and rational arrangements must be made for housing construction and economical use of land in the countryside. Rural communes, production brigades and teams should make plans for housing construction according to local conditions and make full use of mountain slopes, wasteland and abandoned house foundations. They should do everything possible not to use farmland for housing construction. To economize on the use of land it is necessary to choose suitable shapes for building according to local conditions. In building a house in a hilly area, the house may be shaped according to the physical features of the hill. People on Loess plateaus may be encouraged to build cave dwellings. In big city suburbs and areas with many people but little land, people should be encouraged to build houses of two or more stories. Communes, production brigades and teams that have to use farmland for housing construction because of their limited natural conditions must obtain approval from higher authorities.

The State Council circular reaffirms that the land of the rural commune, the production brigade or the production team belongs to the collective. As for lots allotted to commune members for housing construction, their private plots (maintained for personal needs) and farmland contracted to them for farming, they only have the right to use them. They are not allowed to lease or transfer the possession of such lots, plots and farmland without authorization, nor are they allowed to build houses, to bury the dead, to mine or to bake bricks and tiles on them. It is wrong that some people regard farmland for which they are responsible and farmland whose output is fixed as their own and wantonly take over such farmland for their own use.

The circular calls on various localities to gradually improve materials for housing construction in the countryside and to use less land for making and baking bricks and for soil excavation purposes.

In the circular, the State Council calls on governments at all levels to deal sternly with those who willfully take over farmland for housing construction, who forcibly seize land without authorization or who use more land than needed for housing construction. Commune- and brigade-run enterprises that have taken over land but left it unused must be ordered to return such land.

GUANGXI PLA CLASS HITS LEFTISM IN ECONOMIC WORK

HK170139 Nanning Guangxi Regional Service in Mandarin 1130 GMT 16 Apr 81

[Text] Guangxi Military District recently held a class for cadres at and above regimental level to study Marxist economic theory, eliminate leftist influence in economic work, and ideologically and theoretically enhance spontaneity to implement the party's line, principles and policies since the third plenary session.

In view of the fact that some comrades had muddled ideas about the economic policies stipulated since the third plenary session, the class concentrated on studying Marxist theory on productive force and production relations. The participants were organized to study the Marxist theory of reproduction contained in "Das Kapital," the theory of commodity production under the socialist system contained in Stalin's "Economic Problems in the Soviet Union," the "Socialist Economic Problems" compiled under the auspices of the Ministry of Education, and relevant articles by Xue Muqiao on the study of economic problems in China. The participants were helped to understand that it is production relations that are studied by Marxist political economy, that it is the state of productive force that determines production relations, and that production implements are an important hallmark of productive force. They received a clear picture of the state of productive force in China. Applying the basic law of social development which holds that productive force determines production relations and production relations must correspond to the nature of productive force, they analyzed the experiences and lessons of the past 30 years and profoundly felt: In the past, under the guidance of leftist ideology, we placed too much stress on the counteraction of production relations and neglected the determining role of productive force. This adversely affected the smooth development of the national economy. After the third plenary session, the Central Committee guided us to eliminate leftist influence step by step and applied Marxist economic theory in connection with China's realities to stipulate a whole series of economic policies. Practice has proven that these economic policies are correct. We must resolutely implement them.

During their study many comrades appreciated the basic theories of Marxist political economy in connection with their own thinking and work since the third plenary session, and corrected prejudices that had arisen due to their lack of a profound understanding of the party's economic policies. For instance, there were many differences of view and understanding among the cadres and masses with regard to instituting rural production responsibility systems, opening rural trade fairs, readjusting the proportions between agriculture, light industry, heavy industry and so on. Through study everyone further unified understanding and showed more trust in the correctness of the party's policies.

The comrades attending the study class also applied the method of criticism and self-criticism to take stock of their own thinking and eliminate leftist ideology. As a result their thinking, understanding and action were truly unified with the line of the third plenary session. They now act as promoters of achieving further economic readjustment and political stability.

HUBEI GOVERNOR SPEAKS ON INDUSTRIAL REORGANIZATION

GW220041 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 21 Apr 81

[Recorded talk in dialect by Han Ningfu, governor of Hubei, entitled: "Create Conditions, Quicken Our Pace and Promote Reorganization and Integration of Industrial and Transport Enterprises in Our Province"]

[Summary] Since the 3d Plenary Session of the 11th CCP Central Committee, our province has conscientiously implemented the policy of readjusting, restructuring, consolidating, and improving the national economy, paying full attention to economic readjustment, strengthening reorganization and integration of industrial and transport enterprises, and bringing about significant improvements in the structure of industry and the product mix. We have also vastly improved our economic performance.

"The central work conference held in December 1980 put forward the major principles of making further economic readjustments and promoting political stability. We must resolutely implement this major policy decision made by the party Central Committee. To do a good job in making economic readjustment, we must further curtail capital construction projects, reduce expenditure and increase revenue. At the same time, we must readjust our economic structure, product mix and the structure of industry to bring about a harmonious, healthy and balanced development of the entire national economy. Only by doing so will it be possible for us to improve the structure of our industry organizationally in accordance with the principles of coordination among specialized departments, and to promote the reorganization of our industry and strengthen integration among enterprises."

For the past 2 years, we have made strenuous efforts to reorganize our industry and establish comprehensive association among enterprises. In the province a total of 136 specialized companies and 5,049 enterprises have established various forms of association, bringing about significant changes in the structure of industry and the product mix. Production quality has been greatly improved and production variety increased. The light and textile industries have boomed, turning out many readily marketable daily necessities for consumers.

"Reviewing our work in the past 2 years we come to realize that to do a good job in reorganizing our industry and establishing comprehensive association among our enterprises, we must proceed from reality and establish preliminary forms of association without changing the enterprises' ownership, affiliation and financial relations. As the conditions become more favorable, we will start to develop integration at a higher level among specialized companies. Only by doing so will it be possible to steadily reorganize our industry and establish comprehensive association among enterprises."

Although our province has scored certain achievements in promoting the reorganization and integration of industrial and transport enterprises in the past 2 years, we must exert even greater efforts in this regard. In order to achieve this goal the provincial CCP Committee and the provincial People's Government have called on us to do the following:

- Concentrate our efforts in promoting the reorganization and integration of enterprises for the production of daily necessities, particularly those badly needed on the market;
- Overcome the thinking of making enterprises "big and all embracing";
- Make full use of economic measures to promote the work of reorganization and integration of enterprises;
- Learn from Shanghai and other localities where there are many advanced units;
- Further tap the potential of existing enterprises and vigorously carry out innovations.

"The party committees and people's governments at all levels must list the work of reorganization and integration as an important item on their daily agenda and strengthen their leadership. The principal leading comrades of various units must personally examine the new situation arising in the course of reorganizing industry and establishing comprehensive association among our enterprises and solve new problems which may appear. Various organizations must closely cooperate with one another to quicken their pace in reorganizing and integrating and score even greater achievements in this regard."

TAIWAN COMPATRIOTS' REPRESENTATIVES MEET IN CHANGSHA

0W151327 Changsha Hunan Provincial Service in Mandarin 2315 GMT 15 Apr 81

[Text] A discussion meeting of representatives of Taiwan compatriots residing in our province was held by the United Front Work Department of the Provincial party committee in Changsha from 10 to 13 April. The meeting heard 16 Taiwan compatriots introducing their experiences in making contributions to the reunification and building of the motherland. They included professors, engineers, technicians, medical personnel, state cadres, workers and staff members. Most were advanced producers, advanced workers and model workers.

In their speeches, they all expressed their deep feelings of love for the party, the motherland and socialism, and their earnest wish for an early return of Taiwan to the motherland to bring about its reunification. The representatives noted that the Taiwan authorities proved that they do not enjoy popular support when they clamored for opposition to communism with a persistently stubborn attitude at the 12th Kuomintang Congress.

The meeting was presided over by Ding Weihe, head of the provincial party committee's United Front Work Department. (Fang Guo), Taiwan compatriot and associate professor of the National Defense Science and Technology University, conveyed the guidelines of a relevant central conference to the meeting. (Xie Zengchang), deputy head of the provincial party committee's United Front Work Department, delivered a report entitled "Contribute Our Share in the Reunification of the Motherland and the Four Modernizations' Drive of the Motherland." Shang Zijin, vice chairman of the provincial CPPCC Committee and vice governor of the provincial People's Government, delivered a speech at the meeting, urging everyone present to work in unity and make new contributions to the great cause of the reunification of the motherland and for a speedy drive for the four modernizations.

BRIEFS

GUANGXI COMMERCIAL GRAIN BASES--Guangxi Zhuang Autonomous Region achieved good results in building commercial grain bases. Last year 150 communes were built into commercial grain bases and the commercial grain which they provided to the state accounted for 41.2 percent of the total amount of grain which the region sent to the state granary. The Guangxi Regional CCP Committee and the regional People's Government called a meeting recently to summarize past experience and to arrange for future work. It was decided at the meeting to build an additional 34 communes as commercial grain bases. [Beijing Domestic Service in Mandarin 1200 GMT 28 Mar 81 0W]

HENAN AGRICULTURAL PRODUCTION--Despite natural disasters in some localities, Henan Province increased agricultural production in 1980. The total grain output amounted to 47.51 billion jin, up by 1.7 percent compared with 1979. The output of cotton, oilseeds and tobacco all topped the 1979 records. The peasants' income averaged 73.2 yuan per capita, which was 4.8 yuan more than the 1979 level. [Beijing Domestic Service in Mandarin 0400 GMT 4 Apr 81 0W]

HUBEI WHEAT DISEASE--(Gao Fugui), of the Hubei Provincial Agricultural Bureau, wrote to the Hubei Provincial Broadcasting Station, calling on all localities in Hubei Province to pay attention to controlling powdery mildew of wheat. According to the letter, the wheat disease has spread to all wheat-producing areas in the province. In Yunyang, Xiangyang and Yichang Prefectures, more than 1.26 million mu of wheatfields have been affected this year. [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 2 Apr 81 0W]

XIZANG HOLDS PEOPLE'S CONGRESS PREPARATORY MEETING

HK220248 Lhasa Xizang Regional Service in Mandarin 1130 GMT 21 Apr 81

[Summary] A preparatory meeting for the Third Session of the Third Xizang Regional People's Congress was held on 20 April. The meeting approved the lists of names for the session presidium and secretary general and for the various committees of the session. During the session Ngapoi Ngawang Jigme, regional People's Congress Standing Committee chairman, will deliver a committee work report and Luozong Cicheng, regional People's Government vice chairman, will deliver a government work report. Reports on economic and financial matters, on the work of the regional people's court and procuratorate, on direct county-level elections, and on the handling of bills submitted by people's deputies will also be delivered. Yin Fatang, regional CCP Committee first secretary, will speak at the session.

Afterwards the session presidium held its first meeting. The presidium elected Ngapoi Ngawang Jigme and others executive chairman.

FURTHER ON YUNNAN STANDING COMMITTEE SESSIONSecurity official's Report

HK220329 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 21 Apr 81

[Excerpts] Since last year Yunnan has scored great success in tidying up public order. However, there are still a number of factors affecting social order. It is necessary to mobilize and rely on the people of all nationalities in the province to straighten out order in the urban and rural areas, to ensure the smooth progress of readjusting the national economy. This was stated by (Shen Yuqing), provincial public security department deputy director, in his report at the seventh session of the fifth provincial People's Congress Standing Committee, in reviewing and summarizing the work of tidying up public order in the urban and rural areas since last year.

Analysing the factors currently affecting social order, Deputy Director (Shen Yuqing) stressed: Since the second half of last year, a very few people who desire to see the world in chaos have made use of nationality and religious feelings and the serious calamities caused by the 10-year catastrophe to stir up trouble on some communes and brigades and cause frequent serious violations of the law. The people of all nationalities are extremely unhappy about this. We must punish the criminal activities of these few lawbreakers according to the law. The public security and judicial organs must deal according to the law with those already arrested and apply the principle of leniency toward those who make a clean breast of things and severity toward those who resist. Those who have not been brought to justice must be investigated and handled according to the law. Those who gave themselves up and confessed their crimes can be dealt with leniently. The few people who trailed along behind them in committing crimes must be criticized and educated according to the circumstances. If similar affairs occur in the future, they will be dealt with resolutely and severely according to the law.

Deputy Director (Shen Yuqing) put forward six measures for further tidying up order in the urban and rural areas and ensuring the smooth progress of economic readjustment:

1. Unify understanding and continue to mobilize all fronts to work together to promote law and order. The law and order problem is a social problem. We must rely on the whole of society to deal with it.
2. Strengthen ideological and political work and propaganda and education in the socialist legal system, and establish a social atmosphere of respecting discipline and law.

3. Use the weapon of the law to deal resolute blows at all kinds of criminal elements who seriously sabotage social order. At present we must concentrate on active counterrevolutionaries, agents and spies, criminal elements who seriously sabotage social order by committing murder, arson, theft, rape and causing explosions, and major and habitual criminals and gang leaders who practice bribery and corruption, smuggling, drug peddling and speculative activities. In accordance with the provisions of the criminal law and the law of criminal procedure, we must deal heavy and rapid blows at them. We must absolutely not show mercy.
4. Heighten vigilance against the sabotage activities of the few remnants of the Lin Biao and Jiang Qing counterrevolutionary cliques and of antiparty and antisocialist elements, and deal with them according to the law.
5. Correctly implement the party's nationality policy and rely on the people of all nationalities to hit at the sabotage activities of domestic and external enemies. We must correctly implement the party policy on religion, respect the normal religious life of those masses who believe in religion and ensure normal religious activities. At the same time we must also guarantee the freedom not to believe in religion. However, we will certainly not permit the restoration of the religious special powers, oppression and exploitation systems which have already been abolished. We will certainly not permit property belonging to the collective economy to be used for religious activities. We will certainly not permit people to use religion to carry out all kinds of illegal activities. We will certainly not allow foreigners to interfere in China's religious activities and business. We must deal resolute blows against domestic and external enemies who make use of religion to carry out counterrevolutionary activities and punish them according to the law.
6. Vigorously strengthen the building of the political, legal and public security departments.

#### Session Resolution

HK220307 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 21 Apr 81

[Summary] The Seventh Session of the Fifth Yunnan Provincial People's Congress Standing Committee concluded in Kunming on 21 April. The meeting adopted a resolution approving the provincial people's government reports on the national economic plan and local budget for 1981 and called on the people of the province to unite to overcome difficulties, develop the excellent situation, and promote the modernization drive.

The resolution said: "It is necessary to strengthen ideological and political work and conduct deepgoing education in the four basic principles and the party's principles and policies. It is necessary to wage forceful struggle against erroneous words and deeds that oppose and attack the four basic principles. We must strengthen socialist democracy and the socialist legal system, correct and boycott all lack of discipline, anarchy, and phenomena that violate and sabotage the legal system to insure the smooth progress of economic readjustment."

The meeting expressed satisfaction with the work of tidying up social order in the urban and rural areas over the past year and agreed with the report on this work delivered at the meeting.

Sun Yuting, People's Congress Standing Committee vice chairman, presided at the meeting. Chairman An Pingsheng made an important speech. Also present were Vice Chairmen Zhang Zhixiu, Wu Zuomin, Zhang Tianfang, Wang Shaoyan, Xi Gongzhen, Zhang Zizai, Li Bebai and Yu Lanfu.

BEIJING IMPROVES SERVICES, SOLVES MASSES' PROBLEMS

0W220614 Beijing XINHUA Domestic Service in Chinese 0126 GMT 22 Apr 81

[By XINHUA correspondent An Zhonghuang]

[Excerpts] Beijing, 22 Apr (XINHUA)--With a responsible spirit for the people, the Beijing Municipal People's Congress Standing Committee and departments under the Beijing Municipal People's Government have paid attention to handling proposals put forth by the people's deputies and have taken the initiative to solve problems of interest to the masses. The 995 proposals put forth by deputies at the third and fourth sessions of the Seventh Beijing Municipal People's Congress were basically taken care of by the end of March.

In response to the proposals submitted by numerous deputies for improving transportation facilities for the people in the capital, the Beijing Municipal Public Transportation Company adopted measures after studying them one by one. As a result, a total of more than 470 extra trolleybuses were put into service in 1979 and 1980 and new routes were added in some areas. Many drivers and conductors have also improved their service attitude toward the passengers by being decorous and courteous.

The reform of the intermediate educational structure has been a matter of interest to many teachers and parents. The people's deputies have put forward proposals in this regard. Last May, the Beijing Municipal People's Government called a forum on the reform of the intermediate educational structure and set up a leading group to oversee the reform of the intermediate educational structure and carry out the task energetically. A number of senior middle school-level vocational classes were organized on a trial basis. At present, there are 110 senior middle school-level vocational classes in the city which offer 40 special training courses including printing and publication, tourism, dressmaking and cooking. The enrollment totals more than 4,400. Meanwhile, 11 middle schools in the suburban rural areas have also set up senior middle school-level agricultural vocational classes for teaching more than 700 students.

NEW RESEARCH INSTITUTE ESTABLISHED IN BEIJING

0W211228 Beijing XINHUA in English 1219 GMT 21 Apr 81

[Text] Beijing, 21 Apr (XINHUA)--More than 1,000 college presidents and vice-presidents, professors and lecturers gathered here today for the establishment of the Beijing Higher Educational Research Institute, the first of its kind in the city since the founding of new China in 1949. They came from all universities and colleges in the Chinese capital.

As mass-character academic organizations, such educational research institutes have been set up in Shanghai and Fujian Province in east China, and Hebei Province in north China. Vice-Minister of Education Gao Yi and Vice Mayor of Beijing Bai Jiefu attended the ceremony.

The articles of the institute say that its aim is to sum up experience at home and abroad, carry out research in theories on education and study how to develop higher education in socialist China. It will also make suggestions and collect opinions from members and other people in higher educational circles, sponsor a research journal, and conduct academic exchanges with its counterparts at home and abroad.

Mie Jusun, 64, vice-president of Beijing Teachers University, was elected president of the institute. Addressing the inaugural meeting, he proposed that "we should first of all study ways of improving education, the question of intellectual exploitation and the management of universities and colleges in the capital."

The Beijing Higher Educational Research Institute was initiated by well-known Qinghua University, Beijing University, Beijing Teachers University and the municipal higher educational bureau. Beijing has been a political as well as a cultural and educational center in China. Fifty-one of the over 600 universities and colleges throughout China are located in Beijing. There are 25,000 college teachers in the capital, accounting for over one tenth of the national total.

LIAONING PLACES HEAVY PROJECTS IN LIGHT INDUSTRY

0W211240 Beijing XINHUA in English 1224 GMT 21 Apr 81

[Text] Shanghai, 21 Apr (XINHUA)--Liaoning Province has since last year placed 26 heavy industrial enterprises under the administration of light industry departments, said Tan Liren, vice-governor of the northeast China province at the current national conference on industry and transport. The enterprises have switched over to the production of consumer goods or are making machinery and equipment for light and textile industries, the vice-governor said.

With iron and steel, machine-building and other industries, Liaoning Province is China's heavy industrial center. Statistics show that in 1980 its total output value of heavy industry was 30,900 million yuan, 11.6 percent of the total output value of the nation's heavy industry. For years the output value of its light industry, Tan Liren said, accounted for only about 26 percent of the total industrial output value of the province.

The province's light industrial output value in 1980 rose by 28 percent over 1979 to rank fourth in the country. In the first quarter of this year, it was nearly 13 percent higher than in the same period of last year. In the three-month period, the output of bicycles, wrist-watches, electric fans and chemical fibers was up from 23 to 69 percent and that of television sets and radios doubled. The total output value of the province's light industry rose from 10,470 million yuan in 1978 to 14,760 million yuan in 1980, a 41 percent increase, he said. Light industrial output value accounted for 32.4 percent of the province's total industrial output value in 1980 as against 26.7 percent in 1978.

To speed up the development of light industry is an important policy in the current economic readjustment. "It conforms to the aim of socialist production which is to meet the growing need of the people for clothing, food, housing, travel and daily expenses," the vice-governor said. Tan Liren said that since the readjustment of the national economy began in 1979, heavy industrial enterprises in Liaoning have provided textile industry with a great number of machinery and equipment as well as rolled steel products.

In the past two years, the vice-governor said, the heavy industrial enterprises in seven cities of the province sent about 1,970 experienced managers and technicians to light industrial enterprises to help with technical transformation and renovation. In addition to fulfilling state plans, 201 key heavy industrial enterprises in eight cities of the province produced 319 kinds of light industrial products last year, he said.

BRIEFS

HEILONGJIANG SOYBEAN PRODUCTION--The Heilongjiang provincial conference on soybean production was recently concluded. The conference called for efforts to make use of the province's agricultural resources in order to develop soybean production, to build Heilongjiang into a state soybean producing base and to raise per mu yield and total soybean output in 1981. Attending the conference were Zhao Dezun and Wang Luming, secretaries of the Heilongjiang Provincial CCP Committee, and Hou Jie, Wang Caoli, and Wang Jinling, deputy governors. [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 29 Mar 81 SK]

LIAONING TEXTILE INDUSTRY--The textile industrial enterprises throughout Liaoning Province improved product structure and successfully raised economic efficiency by learning from the advanced experiences gained by enterprises of the same trade in Shanghai. The 1980 increased profit of these enterprises across the province reached 450 million yuan, accounting for 40 percent of the total increase in provincial industrial profits. Taxes and profits handed over to the state surpassed the 1979 figure by 200 million yuan. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 29 Mar 81 SK]

COMMENT ON U.S. ARMS SALES 'TRADE-OFF' WITH PLG

## CHINA POST Editorial

OW220427 Taiwan CHINA POST in English 18 Apr 81 p 4

[Editorial: "U.S. Arms Sales to ROC"]

[Text] The UPI report from Peiping to the effect that the United States will not attempt to overcome Peiping's objection to the Republic of China arms sales by making a "trade-off" and selling weapons to Peiping as well seems logical and reasonable.

The report was obtained from an unidentified source which said that reports that Washington was considering such a deal to appease Peiping was incorrect. It does not think that people in Washington are inclined to believe they could work out a trade-off like that. The dispatch also mentioned that the Chinese Communist regime strongly opposes the sale of American weaponry such as F-16 jetfighters to the ROC.

The possibility of U.S. selling weaponry to the Peiping regime to counteract the Soviets was commented editorially by the New York TIMES Thursday as not a worthwhile policy which should be discarded in the end. It would merely irritate the Soviets and create an unfavorable reaction in other regions. The editorial said that it would hardly be a sign of American strength to have to turn to Red China for a way to twist or damage the Soviet Union. No plausible amount of aid to Peiping could in fact alter the Peiping-Moscow power balance. The editorial urges the Reagan administration to drop the idea.

It may be noted that the whole idea of colluding with the Chinese Communists to restrain the Soviets is a united front maneuver invented by the Chinese Communists to get Western arms and supplies to help modernize the outmoded military machine of the Peiping regime. Many Western nations such as West Germany have seen through the plot and refused to swallow the bait. Many Americans, however, still entertain the illusion of Jimmy Carter's defunct policy of colluding with Peiping to restrain Moscow. But most Americans have seen through the fallacy of such a policy and are supporting President Reagan's realistic policy of anti-communism and anti-terrorism.

The Chinese Communists, realizing the danger of such a new policy, began to exaggerate their own capability in restraining the Soviets and at the same time to prevent the Republic of China from getting any arms sales from the United States if the latter should refuse to give any arms to the Peiping regime.

The United States should resolutely refuse any Chinese Communist attempt to dictate U.S. policy in favor of the Peiping regime at the expense of other nations. Instead, it should supply all modern and sophisticated weapons including F-16 jetfighters for self-defense to the Republic of China as required by the Taiwan Relations Act which President Ronald Reagan has promised to implement to the fullest extent. As Premier Sun Yun-hsuan recently pointed out in a press interview with the AP correspondent that the Chinese Communists still constitute a grave threat to ROC's security and there exists an imbalance of strength that favors Peiping. [sentence as published] Therefore, the Republic of China must have high quality weapons to deter Peiping. It should not be subjected to any other condition or the attitude of any other nation. After all, the United States should discard the playing of the China card as such a policy has brought no benefit for the United States during the last few years but the latter has merely become a pawn in the Chinese Communist chess game of world conquest.

## Radio Commentary

ON210854 Taipei International Service in English 0100 GMT 21 Apr 81

[Station commentary: "Trade-Off Nonsense"]

[Text] An informed source in Washington was quoted as saying last Thursday that the United States would not attempt to overcome Red China's objection to arms sales to Taipei by making a trade-off and selling weapons to the Peiping regime as well. The unidentified source said: I do not think people in Washington are inclined to believe that they can work out a trade-off like that.

The statement can be accepted as truth. There are more reasons than one to discard the trade-off idea. First of all, the United States does not have to heed Peiping's objection to arms sales to the Republic of China. It is the Taiwan Relations Act, passed by the U.S. Congress and signed by U.S. President Jimmy Carter, that calls for continued sales of defensive arms to the Republic of China. Implementation of the law is purely the domestic affair of the United States. Giving Red China the right to veto the implementation would be tantamount to surrendering U.S. sovereignty to a foreign power.

Secondly, the United States is under no obligation to supply Red China with arms. That was never part of the terms for the establishment of diplomatic relations between Washington and Peiping.

Thirdly, arms sales for Red China are an impossible proposition. According to the estimates of the Pentagon, the Red Army would need at least \$40 billion worth of conventional arms to withstand a nonnuclear attack from the Soviet Union. That estimate was made in 1979. At today's inflated prices, probably \$100 billion worth of U.S. weapons would be needed to bolster the antiquated Red Army. Can the United States arms industry take additional burdens while the United States itself is building up its conventional forces? Even if the United States is capable of supplying the Chinese Communist military establishment with all the weapons that it needs, they would have to be shipped to Communist China as [word indistinct] because of the receiver's inability to pay for even a fraction of the costs. Besides, it would take many years to train soldiers of the Red Army to use the modern weapons. The Soviet Union will certainly not wait for the completion of the U.S.-managed modernization of Communist China's military forces. Would the United States respond in kind should the Kremlin decide to make a preemptive strike against the Chinese mainland?

All the talks about the trade-off stem from an absurd notion of playing off the Chinese Communists against the Soviets. The Red China card concept has been time and again exposed as a fantasy. As the New York TIMES recently editorialized, little can be said for the idea of threatening arms sales to Communist China every time someone in Washington feels the urge to annoy the Kremlin. There is a lot to be said against it.

## TAIPEI PAPER PREDICTS NEW FUJIAN FIRST SECRETARY

ON220537 Taipei LIEN HO PAO in Chinese 18 Apr 81 p 1

[Special dispatch from Hong Kong by LIEN HO PAO special correspondent Kang Fu-hsin]

[Text] Hu Yaobang, the number one successor of the Chinese Communist Party, is cultivating "first secretaries of provincial party committees" in all parts of China. Xiang Nan, former "director of the Propaganda Department of the Central Committee" of the CYL, has been transferred to Fujian as "permanent secretary of the provincial party committee" and will soon become "first secretary," replacing Liao Zhigao. According to reliable sources, Liao Zhigao and "governor" Ma Xingyuan will be dismissed because of their failure to effectively implement Deng Xiaoping's policies, and Xiang Nan, a former subordinate of Hu Yaobang, will become the Chinese Communist Party's number one boss in Fujian.

TEXT OF DENG XIAOPING 18 AUGUST SPEECH TO POLITBURO

HK200555 Hong Kong CHAN WANG in Chinese No 461, 16 Apr 81 pp 24-30

["Text of Speech by Deng Xiaoping Given on 18 August 1980 at Enlarged Meeting of the Politburo Discussed and Adopted by the Politburo on 31 August"]

[Text] Comrades, the main purpose of this enlarged meeting is to discuss reforms of the party and state leadership system and a number of related issues.

## I

The changes in leading personnel of the State Council is one of the main items on the agenda of the Third Session of the Fifth NPC. These changes include the replacement of Comrade Hua Guofeng, who will no longer concurrently hold the office of premier, by Comrade Zhao Ziyang; the replacement of Comrades Li Xiannian, Chen Yun, Xu Xiangqian, Wang Zhen and myself as vice premiers by energetic and more vigorous comrades; while Comrade Wang Renzhong will no longer concurrently serve as vice premier because he holds important party posts. Comrade Chen Yonggui has requested to be relieved of his vice premier post, and the central authorities have agreed to this. After consulting the sectors concerned we are also preparing to propose certain changes in the selection of NPC Standing Committee vice chairmen and CPPCC vice chairmen. Comrade Hua Guofeng has just spoken on these changes. The Politburo Standing Committee has repeatedly studied this matter. It is now being regarded as an official central proposal and will be submitted to the NPC and CPPCC sessions for discussion and decision.

Why have the central authorities considered matters in this way with regard to the choice of responsible persons of the State Council?

First, power should not be overconcentrated. Overconcentration of power hinders the practice of the socialist democratic system and democratic centralism, the development of socialist construction, and the effort to bring collective wisdom into play. It is prone to lead to one person making arbitrary decisions, and sabotages collective leadership. It is also a major cause of the appearance of bureaucratism in the new conditions.

Second, there should not be too much holding of concurrent and deputy posts. There are limits to a person's knowledge, experience and energy, and if he holds too many concurrent posts all over the place it is difficult for him to carry out work in a thorough way. In particular it hampers the work of selecting and promoting more suitable comrades for leadership work. If one holds too many deputy posts it is difficult to improve efficiency, and bureaucratism and formalism are encouraged.

Third, we should get going on solving the problems of lack of division between party and government and replacement of government by party. If a number of leading central comrades do not concurrently hold government posts, they can concentrate their energy on taking care of the party, the line, the principles and the policies. This helps to strengthen and improve unified central leadership, and to set up a strong work system from top to bottom in government at all levels to look after the work within government jurisdiction.

Fourth, taking the long-term view, we should solve the problem of successors well. Old comrades are the precious treasures of party and state; they bear heavy responsibilities, and their current primary task is to help the party organizations to correctly choose successors. This is a solemn duty. That younger comrades are allowed to come into the frontline and old comrades act as their staff officers and support them in work is a major strategic measure for maintaining the continuity and stability of correct party and government leadership.

These considerations of the central authorities are aimed at carrying out the necessary reforms in the party and state leadership system. The fifth plenary session decided to set up the Central Secretariat, and the central authorities have already taken the first step. The Central Secretariat has done very well in work since its establishment. The current changes in State Council leading members represent the first step in improving the leadership system of the government. Very many reforms are needed in the party and state leadership system and in the other systems in order to meet the needs of socialist modernization and of democratizing party and state political life, and in order to learn from past mistakes to avoid future ones and to promote the beneficial and abolish the harmful. We must constantly sum up the experiences of history, carry out penetrating investigation and study, concentrate correct opinions and continue to carry out positive and measured reforms from the central authorities down to the localities.

## II

Reforming the party and state leadership system and other systems is aimed at bringing into full play the superiority of the socialist system and speeding up the development of modernization.

To bring into full play the superiority of the socialist system, we must at present and for a time to come strive to realize the following three demands: 1) economically, to rapidly develop social productive force and gradually improve the people's material and cultural life; 2) politically, to bring people's democracy into full play and ensure that the whole people truly enjoy the right to manage the state, especially basic-level and local political power and the enterprises and undertakings, in various effective ways, and enjoy all their citizens' rights; we must put the revolutionary legal system on a sound basis, correctly handle contradictions among the people, deal blows at all hostile forces and criminal activities, mobilize the masses' enthusiasm, and consolidate and develop the political situation of stability and unity, liveliness and vigor; 3) organizationally, in order to fulfill the above two demands it is urgently necessary to cultivate, discover, promote and employ talented people for socialist modernization who uphold the four basic principles, are relatively young, and possess specialized knowledge.

In developing socialist modernization, we aim to catch up economically with advanced capitalist countries and to politically create a higher and better democracy than the capitalist countries, and also to forge more and better talented people than they have. We may take a bit shorter or a bit longer time to do this, but as a great socialist country we can and must reach these three aims. Therefore in judging whether the party and state systems are good and perfected or not we must apply the criterion of whether they help to accomplish these three aims.

Here I want to dwell on the question of organizationally bringing into play the superiority of socialism, spontaneously renovating the party and government leading organs at all levels and gradually forming younger and more specialized leadership groups.

For many years we have not boldly promoted and employed relatively young talented people with specialized knowledge and practical experience, given the premise of upholding the four basic principles. In particular during the "Great Cultural Revolution," large numbers of cadres were persecuted by Lin Biao and the "gang of four," and cadre work was seriously sabotaged by them. This caused the present universal situation of aging leading members at all levels. The question of talented people is mainly a question of organizational line. Many new talented people need cultivating, but the current main task is to do well in discovering and promoting, and breaking the rules to promote outstanding middle-aged and young cadres. This is an urgent objective need of our modernization cause; it is certainly not a question impulsively raised by certain old comrades.

Some comrades are worried whether some factional elements or even elements who engaged in beating, smashing and looting will be promoted in the work of promoting middle-aged and young cadres. There is a certain rationale for this worry. This is because even today there are a number of areas and departments where the leadership groups have not been properly rectified, and certain factional elements may promote their minions under the pretext of promoting middle-aged and young cadres. I said in my speech on 16 January this year that we must not underestimate the remnant ideological and organizational forces of the "gang of four." Our heads must be clear on this point. We absolutely cannot promote a single person who rose to power by following Lin Biao, Jiang Qing and company and rebelling; a single person whose thinking is gravely factionalist; or a single element who engaged in beating, smashing and looting. Such people who already hold leadership posts must be resolutely dismissed. We may suffer unpredictable calamities if we fail to heighten vigilance and let these people entrench themselves in leadership posts, indulge in fresh double-dealing, carry out establishment of ties, and conceal themselves, even if only a very few people are involved.

Some comrades say that it is better if cadres are promoted one grade at a time. I said that in 1975, in view of the erroneous ways of doing things during the "Great Cultural Revolution," we cannot have any more promotion of cadres by the rocket or helicopter method. The general meaning of the notion that the cadres must advance through the grades is that they should undergo a process of going deep among the masses, familiarizing themselves with their specialty, accumulating experiences and being tested and steered. However, we cannot always stick to the old concept of grading. Promotion of cadres cannot just be limited to the existing grading of cadres through the districts, counties, prefectures and provinces; each sector and trade should also have its own grades, duties and titles. It is also necessary to decide on new demands and methods for promoting cadres and employing talented people in different sectors and trades in the sake of the development of our construction cause. In the future people should be employed for many duties and titles so long as they pass the examination. To break through those outdated grades and create some new ones suited to the new situation and tasks means to boldly break the rules in cadre promotion. Moreover whether we follow the old or new ways, we must go further than simply talking about the matter. We must truly and rapidly promote outstanding middle-aged and young cadres. We must not be too impatient in promoting cadres, but tardiness will delay the great cause of modernization. There has been plenty of delay already! We should arrange a relatively light ladder for particularly outstanding persons, and give them accelerated promotion. One of our aims in currently proposing the reduction of excessive holding of concurrent posts and overconcentration of powers is to let middle-aged and young cadres skip some grades. How can they advance if the grades are filled already? Again, how can they advance if we do not let them fill vacancies in the grades?

Some comrades worry that young people are not experienced enough and cannot prove equal to the task. I think this is an unnecessary worry. Sufficient experience is only a relative term. Frankly, isn't it a fact that old cadres lack experience in the new problems of modernization, and would thus make some mistakes? Generally speaking it is true that younger people do not have so much experience. However, the comrades should think back: weren't many of us who became great cadres and did great deeds only in our 20's and 30's when we started out? We should admit that the knowledge of certain middle-aged and young cadres today is certainly no less than ours was then. The fact that they have not been tested so much in struggle and possess less leadership experience is caused by objective conditions. They cannot gain such experience unless they are in a position to do so. They will - daily improve when they are placed in that position. Seven or eight million people have graduated from colleges and secondary vocational schools since liberation; most of them came from worker or peasant families and underwent more than 10 years of steering. Middle-aged and young cadres who did not go to colleges or secondary vocational schools possess practical experiences; their shortcoming is a slightly lower level of cultural knowledge. So long as we train and cultivate them in a planned way many of them will certainly be able to become Red and expert cadres.

There are also large numbers of talented middle-aged and young people who have done well in private study. Many of the young people sent down to the rural areas have gone deep among the masses, studied hard and possess great ability. In fact, at present many middle-aged and young cadres have become a backbone force on all fronts, and they know much more about the masses and reality than do those cadres who lord it over people and never go down to the basic levels. A lot of work depends mainly on them, yet they have no power to decide on problems because they have not been promoted, and when they encounter problems all they can do is ask for advice and submit reports. This is a major source of the phenomenon of bureaucratism. In short, we should certainly not underestimate this large number of middle-aged and young cadres. Many middle-aged and young cadres have good political nature and are not factional elements; their ideological path is correct, and they also possess a certain degree of specialized knowledge; when then don't we promote them and break the rules to employ them? Some cadres elected by the masses themselves in some enterprises and units, and some cadres who volunteered their services and proclaimed that they would boldly shoulder heavy work burdens have very quickly scored achievements and are much more suitable than those cadres assigned from above. Shouldn't facts like these wake us up with a start? There are good middle-aged and young cadres everywhere. Every trade and sector, every district and every unit has some middle-aged and young cadres who were long dissatisfied with the methods of Lin Biao, Jiang Qing and company during the "Great Cultural Revolution" and boycotted them in both active and passive ways, who perform well, work hard, and possess specialized knowledge. The problem is that we have not discovered and promoted them. Nor should we discard people of true talent and ability who were hoodwinked by Lin Biao and Jiang Qing for a time and made some mistakes and later regained consciousness. Many comrades can only see the few people they are familiar with around them, and always move among circles of old men; they are incapable of going deep among the masses to select and promote talented people. This too is a form of bureaucratism.

We must absorb the lessons of the "Great Cultural Revolution," and we must also soberly see the situation in the tremendous task of modernization facing our country and the fact that large numbers of cadres cannot meet the demands of modernization. We must resolutely overcome the short-sighted viewpoint of being unable to see the long term. We have correct ideological, political and organizational lines. So long as we work boldly but cautiously, carry out careful investigation and study and listen to the views of the masses, it will be completely possible to promote large numbers of outstanding middle-aged and young cadres and thus insure that there will be successors to our cause.

Comrade Chen Yun has proposed that we pay attention to both political integrity and ability in promoting cadres. The most important point in integrity is upholding the socialist road and party leadership. Under this premise the average age of the cadres should be lowered and they should be more knowledgeable and specialized, and we must also systematize the promotion of this type of cadre. This opinion has been put well. Apart from paying no attention to reducing the average age of the cadres, many comrades also attach no importance to having more knowledgeable and specialized cadres. This is also a bad consequence of the leftist ideology that prevailed on the question of intellectuals for a long time in the past.

The current problem is that the present organizational system and ideological methods of many cadres do not help to select, promote and employ talented people who are urgently needed for the four modernizations, and hinder this work in many ways. I hope that the party committees and organizational departments will change their ways on this question to a very great extent, resolutely emancipate their minds, break down old conventions, boldly reform outdated organizational and personnel systems, vigorously cultivate and discover and break the rules to employ outstanding talented people, and wage resolute struggle against all suppression and maltreatment of talented people. Following more than 10 years of testing, the leadership and the masses have a basically clear idea of the political performance of the middle-aged and young cadres.

While the old comrades are still here, it should be possible to make good and accurate choices by applying the method of simultaneously looking from above and from below. Of course this work must be carried out in a measured way, but it must not be done too slowly. If we miss the opportunity, the old comrades will no longer be around, and it will then be too late to solve this problem; it will be much more difficult to solve then than now. This would mean that our old comrades had made a great historical error.

## III

There are also many defects in certain current specific party and state systems, and these defects hinder, even to a serious degree, the effort to bring into play the superiority of socialism. Unless we carry out serious reforms, it will be very difficult to meet the urgent demands of modernization, and we will thus become seriously divorced from the masses.

Viewing the party and state leadership and cadre systems, the chief defects are bureaucratism, overconcentration of powers, the patriarch system, the lifetime tenure system for cadres in leadership duties, and various types of pursuit of privilege.

Bureaucratism is a great problem that exists extensively in the political life of our party and state. Its chief expressions and harmfulness are: people lord it over everyone, use their powers in an indiscriminate way, become divorced from reality and the masses, like to keep up appearances and come out with empty talk; their thinking is ossified and they cling to old conventions; offices are overstaffed, there are too many people doing nothing, the handling of affairs is delayed, there is no effort to improve efficiency, nobody takes responsibility or keeps his promises; papers make the round of office after office, and responsibility is shifted onto others; the results are a stifling bureaucratic atmosphere, people are frequently taken to task and suffer retaliation, democracy is suppressed, both the upper and lower levels are deceived, people behave in imperious and despotic ways, practice favoritism, take bribes, and bend the law for the benefit of relatives and friends and so on. Both in our domestic affairs and our international dealings, all this has reached an absolutely intolerable state.

Bureaucratism is a complex historical phenomenon that has existed for a long time. Apart from its points in common with bureaucratism in history, our current bureaucratism has its own characteristics; it is different from bureaucratism in old China and also from bureaucratism in capitalist countries. It is closely related to the fact that we have long held that the socialist system and the planning management system must exercise a system of highly centralized control over economics, politics, culture and society. Our leading organs at all levels have all taken charge of many things that they should not take charge of, things that they cannot manage well and things that they are incapable of managing; such things only needed a certain regulation promulgated in the lower levels and in the enterprises, undertakings and social units, to allow them to handle the matters themselves along the lines of true democratic centralism, and they could have done this very well themselves; but instead everything was placed under the control of the party and government leadership organs and the central departments, which find it very difficult to handle these things well. Nobody is such a genius that he can handle so many complex, heavy and unfamiliar things. This could be said to be the general root of the disease of our particular bureaucratism. Another root of it is that our party and government organs and the leadership organs of the enterprises and undertakings have long lacked strict administrative regulations from top to bottom or a personal responsibility system; they have lacked strict regulations demarcating the jurisdiction of organs and of individuals; as a result no matter how great or small an affair, there are no rules and regulations to be found, and the great majority of people can never take independent responsibility for the matters they are supposed to handle, and can only rush around all day seeking advice, writing reports and circulating documents.

Certain people whose thinking is seriously departmentalist even push the responsibility onto others when a matter crops up, and go in for endless haggling over trifles when they encounter mutual competition for power. Moreover, we lack regular methods of employing, rewarding and punishing, retiring, dismissing and getting rid of cadres; all of them have an iron ricebowl, no matter how well or badly they perform. They can get in but not out, and they can go up but not down. This situation is bound to cause overstaffed offices and the holding of many deputy and casual posts; and overstaffed offices are bound to promote the development of bureaucratism. We must fundamentally change this system. Of course, there is also the ideological style aspect of bureaucratism, but that is a problem that cannot be solved unless the problem of the system is solved. Therefore, although we opposed bureaucratism many times in the past, the results were minimal. We will have to carry out a lot of work to solve these problems of system I have mentioned. This work includes launching education and ideological struggle, which really must be carried out, otherwise our economic affairs and all other work cannot advance effectively.

The phenomenon of overconcentration of powers means, under the slogan of strengthening the party's centralized leadership, inappropriately and indiscriminately concentrating all powers in the party committee, which always concentrates powers in a few secretaries, especially the first secretary, who takes command and lays down the rules on everything. For this reason centralized party leadership always turns into leadership by the individual. This problem exists in varying degrees at all levels throughout the country. The overconcentration of powers in the hands of an individual or a few people means that most of the administrators have no power to make decisions, while the burdens of those few who have the power are too heavy. This is bound to cause bureaucratism, to lead to all kinds of mistakes, and to damage the democratic life, collective leadership, democratic centralism, and system of division of work in the party and government at all levels. The influence of feudal autocracy in China's history has something to do with this phenomenon, and so does the tradition of high degree of concentration of power in the individual in party work in various countries during the Comintern period. In our history we have laid excessive emphasis on the party's centralization and on opposition to decentralization and to pursuit of independence; we have laid very little stress on the necessary division of powers and on self-decisionmaking, and have done very little to oppose overconcentration of powers in the individual. In the past we divided powers between the central and local authorities on several occasions, but each time we did not touch on the question of how to divide power between party and government, between economic organizations, between mass bodies and so on. I am not saying that we should not lay stress on party centralization and unity, I am not saying that it is wrong in any circumstances to stress centralization and unity, nor am I saying that excessive decentralization and pursuit of independence should not be opposed; the problem lies in the word "excessive." In addition we do not have a very clear idea of what is meant by excessive decentralization and pursuit of independence. Since the party became the ruling party, and especially after the basic completion of the socialist transformation of private ownership of the means of production, the party's central task changes from what it was before; the tasks of socialist construction are extremely heavy and complex, and if powers are overconcentrated, that is a condition less and less capable of meeting the needs of developing the socialist cause. We lacked the necessary understanding of this issue for a long time, and this led to the "Great Cultural Revolution," in which we paid a heavy price. It is now absolutely imperative to solve this problem.

Apart from inferring a high concentration of powers in the individual, the patriarchal work style in the revolutionary ranks causes the individual to ride roughshod over the organization and the organization to become the tool of the individual.

This system is an old social phenomenon that has endured for an extremely long time in history, and its influence has done very great harm in the history of the party. Chen Duxiu, Wang Ming, Zhang Guotao and so on all pursued this system. From the Cunyi conference to the period of socialist transformation, the Central Committee and Comrade Mao Zedong paid relatively great attention to practicing collective leadership and democratic centralism, and democratic life in the party was relatively normal. Unfortunately, we failed to uphold these good traditions or to form them into a strict and perfect system. For instance, when the party discusses important issues, not enough play is given to democracy and a thorough airing of views for much of the time, and an individual or a few people make the decisions; very seldom is the principle of the minority obeying the majority followed or a decision made by taking a vote. This shows that democratic centralism has not yet become a strict system. After the 1958 criticism of opposition to adventurism and the 1959 antirightist drive, the democratic life of party and state gradually became abnormal, and the phenomena of the patriarchal system such as one person alone having the say, the individual deciding on major issues, personality cult, and the individual riding roughshod over the organization went on growing all the time. Lin Biao preached the theory of "the peak," and described Chairman Mao's words as the supreme instructions, and this kind of talk became very common in the whole party, the whole country and the whole army. After the smashing of the "gang of four," the stuff of personality cult was still mechanically applied for a time. Sometimes there were also elements of personality cult in commemorations of other leaders. The central authorities recently issued an instruction on several issues in "giving less publicity to the individual," pointing out that these inappropriate methods of commemorating people not only cause great waste and are divorced from the masses, but are also tinged with the notion that history was created by individuals; they do not benefit the work of carrying out education in Marxism within the party, and sweeping away the influence of feudal and bourgeois thinking. The instructions also laid down certain regulations for correcting shortcomings of this type. This is a very important document. I should also mention that after 1958 houses were erected everywhere for Comrade Mao Zedong and other central comrades, and after the downfall of the "gang of four" a project was built at Zhongnanhai. All these had a very bad effect and caused very great waste. In addition, even today certain senior cadres are given a welcome or send-off banquet, traffic is held up for them, or vigorous publicity is given them, wherever they go. These things are very improper. We cannot have any more of these things that are seriously divorced from the masses, and this applies from the central authorities down through all levels.

Many places and units have patriarchal type figures; their powers are unlimited, while other people have to do exactly as they say, and even form dependent relationships with them. One of our organizational principles is that the lower levels must obey the upper, which means that the upper levels must carry out the decisions and instructions of the upper, but we cannot on this account negate relations of equality between comrades in the party. Whether they are party members responsible for leadership work or ordinary party members, they should deal with each other as equals, they all equally enjoy the power" they should, and carry out the duties they should. The upper levels cannot act in an insufferably arrogant way toward the lower, and in particular they cannot allow the lower levels to do things that violate the party constitution and state laws, while the lower levels should not flatter and fawn on the upper, obey them in an unprincipled way and show "limitless loyalty." In short, we should not turn our mutual relations into those between cat and mouse, as Comrade Mao Zedong mentioned many times, or into the emperor-minister and father-son relations of the old society, or into factional relations. The serious mistakes made by certain comrades are of course linked to this patriarchal work style; and the reason the Lin Biao and Jiang Qing counterrevolutionary cliques were able to take shape was also inseparable from the existence of the remnants of the patriarchal work style within the party. In short, there is no point in talking about democracy in the party or socialist democracy unless we completely get rid of this patriarchal work style.

The forming of the phenomenon of the lifelong tenure of leadership posts for cadres is related to a certain extent to feudal influences and also to the fact that the party has never had a proper method of retiring or being relieved of a post. During the period of revolutionary war all of us were still quite young, and we were really in the prime of life during the 1950's and there was no question of retiring. Afterwards, however, the problem was not solved in good time; that was very unwise. We should acknowledge that this problem could not be solved, or not completely solved, under the specific historical conditions of the time. The draft party constitution discusses by the fifth plenary session proposed abolishing the lifelong tenure system, and now it seems that further amendments and supplements are needed. The key lies in putting on a sound basis the systems of cadre election, examination, appointment and dismissal, maintenance of standards through examinations, impeachment, and rotation. We should make appropriate and clear-cut regulations in light of the circumstances regarding the tenure of all categories of leading cadres (including those elected, those appointed and those hired), and for their retirement and resignation. No leadership post should be held indefinitely.

Lin Biao and the "gang of four" vigorously pursued special powers during the "Great Cultural Revolution" and brought great calamity on the masses. At present there are also some cadres who regard themselves as the masters instead of the servants of the people and pursue special powers and privileges in a big way. This causes great indignation among the masses and damages the party's prestige. It is bound to cause our cadre rank to turn decadent unless resolutely corrected. So-called special powers mean political and economic powers outside the law and the system. This is a sign that the influence of feudalism has not yet been eliminated. Old China bequeathed to us rather a lot of feudal autocratic tradition and not much democratic tradition. After liberation we did not spontaneously and systematically set up various systems for guaranteeing the people's democratic rights, while the legal system was very imperfect and received very little attention; phenomena of special powers were criticized, limited and hit sometimes, but they grew afresh. We must overcome problems both in ideology and system in order to overcome the phenomena of special powers. Citizens are all equal before the law and the system, and party members are all equal before the party constitution and discipline. Everyone has equal rights and duties stipulated by law, and nobody can take advantage of these rights or break the law. No matter who breaks the law, he must be investigated by the public security organs and dealt with by the judicial organs, according to law, and nobody is allowed to interfere in this process or to remain at large after committing a crime. Again, nobody is allowed to violate the party constitution and discipline, and anyone who does, no matter who he is, must suffer disciplinary punishment, and nobody is allowed to interfere in this process or to remain at large after committing a crime. We can only solve the various problems of special powers and violations of law and discipline if we truly and resolutely succeed on this point. There must be a system of mass supervision, and the masses and party members must be allowed to supervise the cadres, especially the leading cadres. The people have the right according to law to expose, charge, impeach, remove or dismiss anyone who pursues special powers and privileges and refuses to mend his ways despite criticism and education, and to demand that he make economic restitution and also that he be punished by the law and by discipline. It is necessary to lay down various regulations with regard to the scope of powers and the political and daily life treatment of cadres at all levels. The most important thing is to have special organs carrying out impartial and incorruptible supervision and inspection.

The various mistakes we made in the past were, of course, related to the thought and work style of certain leaders, but the problems in organisational and work systems were even more important. If the system is good, bad people have no way of exercising arbitrary tyranny, and if it is bad there is no way that good people can completely do good things, and they may even do the opposite.

Even such a great figure as Comrade Mao Zedong was seriously influenced by certain bad systems, which turned out to be most unfortunate for the party, the state, and himself as an individual. If we fail to put the socialist system on a sound basis today, people will say, why is the socialist system incapable of solving certain problems which the capitalist system has solved? Although this is not a complete comparison, we should not neglect it just on that account. Stalin seriously sabotaged the socialist legal system; Comrade Mao Zedong said that such a thing could not have happened in Western countries such as Britain, France and the United States. Although he understood this point, the failure to actually solve the problem of system, plus several other causes, nevertheless led to the 10-year catastrophe of the "Great Cultural Revolution." This is an extremely profound lesson. I am not saying that the individual was not responsible, but I am saying that the question of system is of fundamental, all-round, stable and long-term nature. The question of system is related to whether the party and state will change color. The whole party must pay a high degree of attention to this issue.

Unless we resolutely reform the present defects in the systems, certain serious problems that appeared in the past may arise again in the future. Only by carrying out planned, measured, resolute and thoroughgoing reforms of these defects will the people trust our leadership, the party and socialism, and can there be unlimited prospects for our cause.

While speaking on the defects of the party and state leadership system, we cannot help touching on the mistakes made by Comrade Mao Zedong in his latter years. The resolution on several problems in party history since the founding of the country, which is now being drafted, will make a systematic exposition of Mao Zedong Thought and also conduct a relatively all-round evaluation of Comrade Mao Zedong's merits and mistakes; this will include criticism of his mistakes made during the "Great Cultural Revolution." We communists are thoroughgoing materialists, and can only affirm what should be affirmed and negate what should be negated in a truth-seeking way. Comrade Mao Zedong gained undying merits for our party, state and people. His merits are primary and his mistakes secondary. It is not a materialist approach to make light of his mistakes on account of his merits, nor is it a materialist approach to negate his merits on account of his mistakes. The "Great Cultural Revolution" was a mistake and a failure precisely because it ran counter to the scientific system of Mao Zedong Thought. What has been proven by the test of long practice to be the correct scientific system of Mao Zedong Thought not only led us to win victory in the past, but will also remain our guiding ideology in struggle for a long time to come.

It is incorrect and a violation of the Chinese people's fundamental interests to express any doubt or wavering over this major party principle.

## IV

I now want to talk about the question of eliminating feudal and bourgeois ideology.

The various defects I mentioned above are tinged with feudalism to a greater or lesser extent. The remnant influences of feudalism naturally do not just stop there. For instance there is the patriarchal concept and grade concept in social relations; there are the phenomena of inequality in relations between upper and lower levels and in social background in relations between cadres and masses; the citizens have a weak concept of their rights and duties; there are certain "official industry," "official commerce" and "official agriculture" systems and work styles in the economic field; there is one-sided stress on administrative divisions and jurisdictions between areas and departments in economic work, which result in restricting one's activities to a designated area or sphere and shifting one's troubles onto others, and sometimes entirely unnecessary difficulties are caused in negotiations between two socialist enterprises or two socialist areas; there is the autocratic work style in the cultural field; there is failure to acknowledge the tremendous importance of science and education for socialism, or to recognize that socialism cannot be built without science and education; in foreign relations there is the closed-door mentality, parochial arrogance and so on.

Take the patriarchal concept for instance. During the "Great Cultural Revolution," if a person became an official, even the fowls and dogs would rise with him, and if he got into trouble, even his most distant relatives would be involved; this situation developed to a very serious degree. Even today the bad work style of appointing acquaintances or fellow factionalists to officials posts has not been corrected in certain areas, departments and units. Certain cadres make use of their powers to illegally make arrangements for their dependents, relatives and fellow provincials to move into the towns, and to find employment and promote them as cadres. There are very many examples of this. It is clear that the remnant poison of the patriarchal concept must certainly not be taken lightly. We still need to make very great efforts in order to completely solve these problems.

We carried out the new democratic revolution for 28 years and successfully and totally overthrew feudal reactionary rule and land ownership. However, the task of eliminating the remnants of feudal influences in politics and ideology was not completed because we underestimated the importance of this task and afterwards shifted very quickly to socialist revolution. We should now clearly put forward the task of continuing to eliminate the remnant of feudal influences in politics and ideology, and also carry out a series of proper reforms in system; otherwise the state and people will suffer more loss.

We must take a truth-seeking scientific approach to this task. We must apply Marxism-Leninism-Mao Zedong Thought to carry out specific, accurate and true analysis of the manifestations of the remnant poison of feudalism. We must first clearly distinguish between socialism and feudalism; we must certainly not allow opposition to socialism under the pretext of opposition to feudalism, nor can we pursue feudalism by practicing the sham socialist rubbish preached by the "gang of four." Second, we must also clearly distinguish between the democratic quintessence of our cultural heritage and the dregs of feudalism. We must also clearly distinguish between the remnants of feudal poison, on the one hand, and certain unscientific methods in our work resulting from lack of experience and unsound systems on the other. We must not just blow another gust of wind and indiscriminately describe everything as封建ist.

So far as the cadres and masses are concerned, eliminating the remnant influence of feudalism is a kind of self-education and remolding, which is aimed at shaking off the remnant poison of feudalism, emancipating the mind, enhancing awareness, meeting the needs of the modernization drive, and working hard to make contributions to the people, society and mankind. The stress in eliminating the remnant influence of feudalism is on properly reforming and perfecting the party and state systems, guaranteeing in system the democratization of party and state political life, economic management, and the whole of social life, and promoting the smooth progress of modernization. This requires that we conduct serious investigation and study, compare the experiences of various other countries, pool the wisdom of the masses, and put forward practical measures and methods. We should not say that we should just concentrate on destroying things and that new things will then appear automatically. We must clearly understand that we should not organize some kind of antifeudalist political and propaganda campaign, we should not criticize anyone in the way applied in the past, and still less should we point the spearhead of struggle at the cadres and masses. Historical experiences show that applying the method of mass movements instead of penetrating reasoning and discussion to solve problems of mass ideological education and instead of the method of sound and steady progress to solve the problem of reforming the existing systems and establishing new systems has never been successful. This is because there are fundamental differences between solving mass ideological problems and specific problems of organizational and work system in socialist society; on the one hand, and hitting at counterrevolutionaries and wrecking reactionary systems during the period of revolution; on the other.

While eliminating the remnant influence of feudalism in politics and ideology, we must certainly not relax or neglect in the least the task of criticizing bourgeois and petty bourgeois ideology, extreme individualism and anarchism.

Whether the remnants of feudalism or the influences of bourgeois ideology are the more serious may vary in different areas, departments and units, on different questions, and among people of different ages, experience and education; we must certainly not generalize the matter. In addition, China experienced more than a century of semifeastal and semi-colonial society, and feudalist ideology was sometimes mixed and coagulated with capitalist ideology and the colonial slave mentality. With increased international exchanges in recent years, the phenomenon of blind worship of things foreign has appeared and will go on increasing, due to influence from decadent foreign bourgeois ideology and work style and ways of life. This is a major problem we must seriously solve.

That China is backward in everything; that certain foreign countries are advanced in technology and management certainly does not mean that they are advanced in everything. Our party and people fought a sacrificial struggle for many years and established the socialist system. Although this system is not perfect and has suffered sabotage, no matter what, the socialist system is always much better than the capitalist system, where the law of the jungle prevails and people harm others to benefit themselves. Our system will become daily more perfect, and it will absorb the factors for advance that can be absorbed from other countries of the world, and become the best system in the world. The capitalist system certainly cannot achieve that. It is completely wrong to lose confidence in socialism and hold that socialism is not as good as capitalism just because we have made mistakes in socialist revolution and construction. It is also wrong to hold that we should preach or institute capitalist ideology in order to eliminate the remnant influences of feudalism. We must thoroughly criticize this erroneous idea and certainly cannot allow it to spread. We advocate distribution according to work and recognise material interests in order to strive for the material interests of the whole people. Everyone should have a certain amount of material interests, but this certainly does not mean advocating that the individual should forget about the state, the collective, and other people and specifically engage in pursuing personal material interests, with everyone looking for "cash." If that happens, what is the difference between socialism and capitalism? We have always advocated that in socialist society the interests of the state, the collective and the individual are fundamentally identical, and if there are contradictions among them, the interests of the individual must be subordinated to those of the state and the collective. All progressive elements with revolutionary awareness must when necessary sacrifice their own interests for the sake of the interests of the state, the collective, and the masses. We must make efforts to propagate this lofty morality to the whole people and to all youths and juveniles.

At present some young people, some sons and daughters of cadres, and even some cadres themselves violate law and discipline, and engage in smuggling, corruption and speculation in order to leave the country or make money; they do not shrink from losing their personal and national character and abandoning national dignity. This is extremely disgraceful. In the past 1 or 2 years a number of pornographic, foul, lewd and ugly photographs, films and publications have been imported through various channels. These things have damaged our social mood and corrupted certain young people and cadres. If this pestilence is allowed to spread, it will lead to moral and spiritual depravity among many people who are not strong willed. The organizations at all levels must pay serious attention to this problem and take resolute and effective steps to ban and destroy these things; we will certainly not allow them to keep coming in. In our domestic economic work, there has also been an increase in persons, small cliques and even enterprises and units distorting the current economic policies and taking advantage of loopholes in economic management to indulge in all kinds of illegal activities. We must also be strictly vigilant and resolutely struggle against these antisocialist illegal activities and criminal elements.

In short, we must integrate the work of eliminating the remnant influences of feudalism with criticizing the bourgeois mentality of harming others to benefit oneself and devoting all efforts to making profit, and other decadent ideologies.

We must, of course, also take a scientific approach to capitalist and bourgeois ideology. At one time the PLA raised afresh the slogan "promote proletarian ideology and eliminate bourgeois ideology" in order to carry out education in revolutionary ideology. I read the document of the General Political Department, and I did not feel that this was questionable at the time. Looking at things now, this old slogan is not complete enough, nor is it very accurate. It is also wrong that certain comrades who have not carried out full investigation and study regard certain reforms we are undertaking to develop production and the socialist cause as capitalist, and criticize them. It is necessary to continue to carry out necessary study of the questions of what things in bourgeois ideology we should resolutely criticize and act to prevent their spread, what capitalist trends in economic life we should overcome and boycott, and how to carry out criticism in the correct way. We should also draw up proper regulations for this, to avoid repeating past mistakes.

## V

After many deliberations and consultations, the central authorities started to institute certain reforms of the party and state leadership system after the fifth plenary session; certain of the reforms will be submitted to the imminent NPC session, while others will be put into effect in a measured way when conditions are ripe. Apart from the ones I have mentioned, we are also considering gradually instituting the following major reforms:

1. The central authorities will put forward a proposal on revising the constitution at the Third Session of the Fifth NPC. The various nationalities must genuinely have regional autonomy and the system of people's congresses at all levels must be improved, and so on, in order to make our constitution more perfect, thorough and accurate, and ensure that the people can truly enjoy the rights to manage the country, the organizations at all levels, and the enterprises and undertakings, and also enjoy their citizens' rights to the full. The principle of not allowing overconcentration of power will also be embodied in the constitution.
2. The central authorities have already set up a discipline inspection commission and are now considering establishing an advisory committee (its actual title can be reconsidered), to work together with the Central Committee; both of these are to be elected by the national party congress, and their tasks and jurisdiction are to be clearly stipulated. The State Council should also consider setting up corresponding organs. In this way large numbers of old comrades originally working in the Central Committee and State Council can be allowed to make full use of their experience; while bringing into play their roles as guides, supervisors and advisers, this will enable the work groups of the Central Committee and State Council in charge of daily routine work to become more keenwitted and capable, and their average ages will be gradually lowered.
3. We should truly establish a strong and effective work system from top to bottom, from the State Council down to the government at all levels. In future all work within the scope of government jurisdiction will be discussed and decided on by the State Council and the government at all levels, which will issue relevant documents; such matters will no longer be dealt with by the central and local party committees issuing instructions and making decisions. Of course government work is carried out under the political leadership of the party, hence, government work will be strengthened and so will party leadership.

4. After making preparations we should work in a planned way to change the system of factory managers' responsibilities under party leadership. After organising pilot projects we should gradually popularize and institute systems of factory managers' responsibilities under the respective leadership of factory management committees, company boards of directors, or joint committees of joint economic undertakings. We should also consider carrying out in a planned way after preparation similar reforms in the systems of responsibilities for directors of schools, universities and institutes, under party committee leadership. Long practice has proven that the past factory management system benefits neither the modernization of factory management nor the modernization of the industrial management system, nor the effort to put party work on a sound basis in the factories. Carrying out these reforms is aimed at enabling the party committee to get away from routine work and concentrate its efforts on doing a good job in ideological and political work and in organizational supervision. This actually means improving and strengthening party leadership still more, not weakening it. The responsible administrators of these units must work hard to study specializations in management and technology; they can no longer go drifting around various conferences, always being unfamiliar with what the factory does; if that goes on we can never accomplish modernization. The majority of them are party members. When the management system is changed, apart from being subject to administrative leadership from the upper-level administrative departments, they must also be subject to political leadership by the upper-level party organizations and organizational supervision by the party organizations at their corresponding level. The tasks of the party organizations at the corresponding level do not become lighter; on the contrary, party work will be genuinely strengthened. Party organizations at all levels in factories, companies, colleges, schools and institutes must do well in taking care of all the party members there and do a good job in mass work, and ensure that the party members will play a model and vanguard role in their respective posts, and that the party organizations can truly become the backbone forces of the enterprises and undertakings, and truly become the organizations educating and supervising all party members and ensuring the implementation of the party's political line and the fulfillment of all work tasks. Considering that this reform will have a very great affect on the basic-level organizations throughout the country, we should currently solicit views on an extensive scale, and make decisions when the time is ripe.

5. All enterprises, undertakings and units should set up worker congresses or representative meetings. This was decided a long time ago, and the current problem is that of popularizing and perfecting this system. The worker congresses or representative meetings have the right to discuss and make decisions on major issues in their units, and to propose to higher authority the dismissal of incompetent administrative leaders in their units. They can also gradually put into effect the election of leaders, within an appropriate scope.

6. Party committees at all levels must truly practice the system of integrating collective leadership with individual division of responsibilities. It is necessary to be clear about which issues should be collectively discussed, and which should be individual responsibilities. Major questions must be collectively discussed and decided on. When making a decision, it is necessary to strictly observe the principles that the minority must obey the majority, that each person has one vote, and that each secretary has only one vote; we cannot have the first secretary laying down the law on everything. When things have been collectively decided on, the members must proceed to carry out the decision, each fulfilling his own responsibility; they must certainly not push the responsibilities onto each other. Those who fail to carry out their responsibilities must be investigated. Collective leadership must also have a leader, and the first secretaries of the party committees at all levels must bear the prime responsibility for daily routine work. It is necessary to stress individual division of responsibility among the other party committee members. We must advocate that leading cadres should be bold to take responsibility; this is something quite different from changing the system of individual arbitrariness, and the two must not be confused.

I ask the comrades to seriously discuss and study these six points. They should fully make known their views, including differing views. Some issues will have to go through the pilot project stage after the central authorities have decided on them in principle, so as to gain experience and pool everyone's wisdom; the central authorities should make formal decisions on which experiences are ripe and which problems need solving, and also decide on thorough and practical systems and regulations that can play a role for a relatively long time; and put them into effect in a measured way. Before the central authorities decide on and formally promulgate new systems and regulations, work in all relevant aspects should be carried out in accordance with the existing systems.

Reforming the party and state leadership systems does not mean weakening party leadership and slackening its discipline; on the contrary, it is aimed at upholding and strengthening party leadership and discipline. To unite the thinking and strength of several hundred million people for building socialism in a big country like China would be unimaginable without a party composed of members with a high degree of awareness, sense of discipline, and the spirit of self-sacrifice, a party that can truly represent and unite the masses, and without the unified leadership of such a party; otherwise the country could only fall to pieces and be unable to accomplish anything. This is a truth which the people of all nationalities have profoundly understood in the practice of long struggles. The unity of the people, the stability of society, the development of democracy and the unification of the country all depend on party leadership. Upholding party leadership is the core of upholding the four basic principles. The problem is that the party must be skillful in leadership; it must constantly improve its leadership in order to strengthen it.

We are facing the extremely arduous and complex task of socialist modernization. We have to continue solving many old problems, while new problems go on cropping up all the time. Only if the party closely relies on the masses, maintains close contact with them, always listens to their cries, finds out their feelings, and represents their interests can it form a powerful force and smoothly fulfill all its tasks. At present there are many ideological problems among the masses that need solving, as there are among the party also. We must put ideological and political work in an extremely important position and do a thoroughly good job of it without any slackening. This work must be done by party committees at all levels, leading cadres at all levels, and every party member. It must be done in an appropriate and meticulous way that is welcome to the masses. The most important condition is that every party member, especially those shouldering leadership duties, must be the first to do things which require mobilization of the masses. Hence doing a good job in political and ideological work also requires improving party leadership and its leadership systems.

Comrades, reforming and perfecting all the party and state systems is an arduous and protracted task. Reforming and perfecting the party and state leadership systems is the key to accomplishing this task. We must have sufficient understanding on this point. Comrade Mao Zedong and other revolutionaries of the older generation who have now departed were not able to complete this task. This burden has now fallen on our shoulders. The comrades of the whole party, especially the old comrades, must devote their full efforts to this endeavor. Since the third plenary session we have done a lot of work, solved very many problems and scored very many achievements. We already possess a very good base for advance. The time and the conditions are now ripe for putting forward the task of reforming and perfecting the party and state leadership systems so as to meet the needs of accomplishing modernization. Perhaps our generation will be unable to complete this task, but at least we have the responsibility for laying a firm foundation for its completion and laying down the correct orientation. I think this can be achieved.

## Decision on Distributing Speech

HK200648 Hong Kong CHAN WANG in Chinese No 461, 16 Apr 81 p 30

["Central Committee Circular on Printing and Distributing Comrade Deng Xiaoping's Speech Delivered on 18 August 1980 at the Enlarged Meeting of the CCP Politburo"]

[Text] Central Document No 66 (1980)

To the party committees and the party organizations in people's governments of all provinces, municipalities and autonomous regions, the party committees of military regions, provincial military districts and field armies, party groups of all central ministries and commissions and state organs, the party committees of the general departments under the central military commission and of all branches of the armed forces, and the party groups of all mass organizations:

The Central Committee held an enlarged meeting of the Politburo from 18 to 23 August, which concentrated on discussing reforms of the party and state leadership system. Comrade Deng Xiaoping made an important speech at this meeting. After discussion, the comrades attending the meeting unanimously agreed with the contents and spirit of Comrade Deng Xiaoping's speech and also put forward a number of good opinions on revising and supplementing it. The revised draft adopted by the Politburo after discussion is now being distributed to you. The reform of the party and state leadership system is a very big issue with many ramifications. Please seriously organize discussion of this draft and actively put forward opinions and suggestions. These will be concentrated by the CCP committees of provinces, municipalities and autonomous regions, and the party groups in the ministries and commissions and the General Political Department, and passed on to the Central Committee before 15 October, to help the Central Committee, the NPC Standing Committee and the State Council to make decisions on the relevant issues and gradually formulate formal decrees and regulations for implementation. Before these new decisions, decrees and regulations are officially promulgated, the relevant work in all aspects should be carried out in accordance with the existing systems, methods and specific instructions laid down by the Central Committee, NPC Standing Committee and State Council.

This document is issued down to county and regimental level. It should be conveyed to party cadres at and above county and regimental level, and outside the party to members of democratic parties at the corresponding level, and to nonparty cadres, experts, scholars, press workers, education workers, scientists and technicians, literature and art workers, medical workers and so on at the corresponding level in organs, enterprises, undertakings and units directly subordinate to the departments, ministries and commissions of the Central Committee and state organs. The General Political Department will also follow this principle in conveying the draft to army cadres.

(Signed) CCP Central Committee

11 September 1980.

**END OF**

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**DATE FILMED**

APRIL 23, 1981

